

# EXHIBIT A

**Wal-Mart Stores, Inc.**  
**Group Contract**  
**G-43939-AR**



**THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**

# Group Insurance Contract

**Contract Holder: WAL-MART STORES, INC.**

**Group Contract No.: G-43939-AR**

Prudential will provide or pay the benefits described in the Group Insurance Certificate(s) listed in the Schedule of Plans of the Group Contract, subject to the Group Contract's terms. This promise is based on the Contract Holder's application and payment of the required premiums.

All of the provisions of the Group Insurance Certificate(s), attached to and made a part of the Group Contract, apply to the Group Contract as if fully set forth in the Group Contract.

The Group Contract takes effect on the Contract Date, if it is duly attested under the Group Contract Schedule. It continues as long as the required premiums are paid, unless it ends as described in its General Rules.

The Group Contract is non-participating. This means that it will not share in Prudential's profits or surplus earnings, and Prudential will pay no dividends on it. But Prudential may credit the Group Contract with a premium refund as described in the Premium Refund section of the Group Contract.

GRP 99461-1

The Group Contract is delivered in and is governed by the laws of the Governing Jurisdiction.



Secretary



Chairman of the Board

# Group Contract Schedule

**Contract Date:** January 1, 2005

**Contract Anniversaries:** January 1 of each year, beginning in 2006.

**Premium Due Dates:** The Contract Date, and the first day of the month beginning with February, 2005.

**Governing Jurisdiction:** State of Arkansas

**Associated Companies:** Associated Companies are employers who are the Contract Holder's subsidiaries or affiliates and are reported to Prudential in writing for inclusion under the Group Contract, provided that Prudential has approved such request.

**Minimum Participation Number:** 25

## INCLUDED EMPLOYERS

Included Employers under the Group Contract are the Contract Holder and its Associated Companies, if any.

An Associate of more than one Included Employer will be considered an Associate of only one of those employers for the purpose of the Group Contract. That Associate's service with all other Included Employers will be treated as service with that one.

On any date when an employer ceases to be an Included Employer, the Group Contract will be considered to end for Associates of that employer. This applies to all of those Associates except those who, on the next day, are still within the Covered Classes of a plan of benefits of the Group Contract as Associates of another Included Employer. The plans of benefits for Covered Classes are listed in the Group Contract's Schedule of Plans.

The Contract Holder must let Prudential know, in writing, when an employer listed as an Associated Company is no longer one of its subsidiaries or affiliates.

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**Table of Contents** (as of the Contract Date): The Group Contract includes these forms with an 83500 prefix: COV 1004, GCS 1027, SPR 1001, GR 5037, MOD 1001, SCH 1001, SEP 1001, APP 1005.

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Attest: *Deborah A. D'Addario*

# Schedule of Premium Rates

G-43939-AR

## Classes of Associates to which this Schedule applies:

All Classes

### Applicable Coverage

All Coverages

### Monthly Rate Per Associate

The premium rates in effect on the Contract Date are those determined by Prudential. Those rates will be shown on the billing notice(s) sent to the Contract Holder (subject to any subsequent corrections).

## PERFORMANCE GUARANTEES

All standards will be reported on a quarterly basis and will be based on Wal-Mart specific results. Penalties apply only if the standards are not met for the calendar year. The first year begins January 1, 2005 (except for Medical Underwriting\*). Prudential will report results within 30 days after the end of the quarter, or year. Any payments due to Wal-Mart will be paid by the February 28 following the end of the year.

### Claims Administration

Claims will be tracked and measured through management reports generated by Prudential claims systems.

**Turnaround** – 95% of all completed claims will be paid within 5 working days of receipt. Complete means that all the information to pay the claim is provided to Prudential.

Amount at Risk - \$50,000.

**Financial Accuracy** – 99% of total claim dollars paid will be paid correctly as determined by a random sampling. This is calculated as claims dollars paid correctly divided by total claim dollars. Claim dollars paid correctly equals total claim dollars paid minus the absolute value of dollars paid in error.

Amount at Risk - \$50,000.

**Transactional Quality** – 97% of total number of claim payments will be processed correctly as determined by a random sampling. This measures all types of errors.

Amount at Risk - \$50,000.

### **Medical Underwriting**

\*Standards will be measured for the initial year from September 27, 2004 through December 31, 2005 using Medical Underwriting system reports. Beginning January 1, 2006 they will be measured on a calendar year basis. The first quarterly report will cover September 27, 2004 through December 31, 2004. Puerto Rico associated will not be included.

**Initial Requests** – 99% of initial Wal-Mart short-form applications utilizing the medical underwriting WEB automated system will be approved or long-forms will be ordered, within three calendar days from receipt.

Amount at Risk - \$20,000.

**Other Requests** - 95% of all other initial applications will be accepted, rejected, or Prudential will request additional information within 15 calendar days from receipt.

Amount at Risk - \$65,000.

**Final Action** - 95% of all Wal-Mart applications for which Prudential has all needed information, will be accepted or rejected within 15 calendar days from receipt of all required information.

Amount at Risk - \$65,000.

### **Customer Service Center**

Standards will be measured using Service Team systems reports.

**Telephone Responsiveness** – 80% of telephone calls will be answered in 20 seconds or less.

Amount at Risk - \$10,000.

**Telephone Abandonment** – The abandonment rate will be 2% or less.

Amount at Risk - \$10,000.

### **Plan Implementation**

Implementation Team will provide a project plan and will maintain and deliver against that plan. Initial contract drafts under Group Contract No. G-43939-AR (providing Associate Term Life and Dependent Term Life Coverages), will be drafted 30 days after the beginning of the implementation process, as long as plan details are finalized. Final contract and certificates will be delivered by the effective date unless state filing is required. The Implementation Team will schedule periodic meeting to discuss issues, resolve open items, and update Wal-Mart in progress.

Amount at Risk - \$150,000.

# General Rules

## A. PAYMENT OF PREMIUMS - GRACE PERIOD.

Premiums are to be paid by the Contract Holder to Prudential. Each may be paid at a Prudential office or to one of its authorized agents. One is due on each Premium Due Date stated in the Group Contract Schedule. The Contract Holder may pay each premium other than the first (a) within 31 days of the Premium Due Date without being charged interest, and (b) within 32 to 60 days of the Premium Due Date with interest. Those days are known as the grace period. The Contract Holder is liable to pay premiums to Prudential for the time the Group Contract is in force.

## B. PREMIUM AMOUNTS.

The premium due on each Premium Due Date is the sum of the premium charges for the insurance under the Coverages. Those charges are determined from the premium rates then in effect and the Associates then insured.

The following will apply if one or more premiums paid include premium charges for an Associate whose insurance has ended before the due date of that premium. Prudential will not have to refund more than the amount of the premium charges for such Associate that were included in the premiums paid following the Contract Anniversary immediately before the date Prudential receives written notice from the Contract Holder that the Associate's insurance has ended.

Premiums may be determined in another way. But it must produce about the same amounts and be agreed to by the Contract Holder and Prudential.

## C. PREMIUM RATE CHANGES.

The premium rates in effect on the Contract Date are shown in the Group Contract's Schedule of Premium Rates. Prudential has the right to change premium rates based on items (1) and (2) below. Any such rate changes resulting from items (2)(a), (2)(b), and (2)(d) below, during the period January 1, 2005 through December 31, 2009, will be limited to the change in risk attributable to the reasons listed in items (2)(a), (2)(b), and (2)(d) below. Such rate changes will not be used as a means to redress deficiencies that may materialize because of adverse mortality not associated with the conditions in (2)(a), (2) (b), and (2) (d) below.

- (1) As of any Premium Due Date; and
- (2) As of any date the extent of risk is changed for any of the reasons shown below:
  - (a) A change occurs in the plan design.
  - (b) A division, subsidiary or associated company is added or deleted, and such addition or deletion changes the insured lives or volume by 10% or more.

- (c) At the end of each plan year, the following two events have occurred (1) the compounded annual growth in insurance volume is not at least 7%, and (2) Prudential incurs a negative financial impact based on its annual financial accounting for each life coverage (Basic Life, Employee Optional Life, Dependent Life). A negative financial impact will be determined to have occurred when the quantity (Benefit Charges plus Retention plus Deficit Recovery) exceeds Premiums. Premium rates will not be affected, but payment will be made to Prudential by Wal-Mart within the 1<sup>st</sup> three months of the succeeding year in a lump sum. Prudential agrees to limit the accumulated premiums, including the lump sum payment, over the period January 1, 2005 through December 31, 2009 to 106% of the premiums based on rates effective January 1, 2005.

- (d) A new law or a change in any existing law is enacted which applies to this plan.

But, unless the Schedule of Premium Rates or an amendment states otherwise, (1) above will not be used to change premium rates:

- for Life Coverages, within 60 months of the Contract Date.

Prudential will provide the Contract Holder with advance notice of at least 270 days prior to any Premium Due Date before changing premium rates, as described in (1) above and 90 days advance notice before changing premium rates, as described in (2)(a), (b), and (d) above.

#### **D. PREMIUM REFUNDS.**

Prudential will determine the premium refund, if any, allocable to the Group Contract as of each Contract Anniversary, if the Group Contract stays in force by the payment of all premiums to that date. The premium refund will be credited to the Group Contract as of that date.

Each premium refund will be paid to the Contract Holder in cash unless the Contract Holder asks that it be applied toward the premium then due.

Prudential's sole liability as to any premium refund is as set forth above.

#### **Non-profit Clause**

This applies if the aggregate premium refunds under the Group Contract and any other group contract(s) of the Contract Holder exceed the aggregate payments toward their cost made from the Employer's own funds. The Contract Holder will see that an amount equal to the excess is applied for the benefit of insured persons.

#### **E. END OF THE GROUP CONTRACT OR OF AN INSURANCE.**

**During or at End of Grace Period - Failure to Pay Premiums:** If any premium is not paid by the end of its grace period, the Group Contract will end when the grace period ends. The Contract Holder may write to Prudential, in advance, to ask that the Group Contract be ended at the end of the period for which premiums have been paid or at any time during the grace period. Then the Group Contract will end on the date requested, but in no event will it end before the date Prudential receives the written request from the Contract Holder.

**On a Premium Due Date - Failure to Maintain Insuring Conditions:** On any Premium Due Date, Prudential may end the part of the Group Contract for Contributory or Non-contributory Associate Insurance or Dependents Insurance under a Coverage if one or more of the following conditions then exists for that part. But notice of its intent to do so must be given to the Contract Holder at least 31 days in advance.



Contributory Insurance: The insured Associates are:

- (1) less than the Minimum Participation Number; or
- (2) less than 20% of the Associates who are eligible to request the insurance; or
- (3) contributing at a rate higher than the maximum, if any, stated in the Group Contract for the insurance.

Non-contributory Insurance: The insured Associates are:

- (1) less than the Minimum Participation Number; or
- (2) contributing for the insurance.

The Minimum Participation Number is shown in the Group Contract Schedule.

**On a Contract Anniversary:** Prudential may end the Group Contract on any Contract Anniversary. But notice of its intent to do so must be given to the Contract Holder at least 6 months in advance.

## **F. AGE ADJUSTMENT.**

If an age is used to determine the premium charge for an Associate's insurance and the age is found to be in error, the premium charge for that insurance will then be adjusted to reflect the correct age. If this adjustment results in a change in the amount of premium, any difference between the premium paid and the premium required on the basis of the correct age will be paid as follows:

- (1) If the adjustment results in an increased premium, the difference will be paid by the Contract Holder when notified by Prudential.
- (2) If the adjustment results in a decreased premium, the difference will be refunded by Prudential.

If the change in age affects the amount of the Associate's insurance under any Coverage, such amount will be changed on the basis of the correct age. Any premium adjustment will take this into account.

## **G. ASSOCIATE'S CERTIFICATE.**

Prudential will give the Contract Holder an individual certificate to give each insured Associate. It will describe the Associate's coverage under the Group Contract. It will include (1) to whom Prudential pays benefits, (2) any protection and rights when the insurance ends, and (3) claim rights and requirements.

## **H. RECORDS - INFORMATION TO BE FURNISHED.**

Either the Contract Holder or Prudential, as they agree, will keep a record of the insured Associates. It will contain the key facts about their insurance.

At the times set by Prudential, the Contract Holder will send the data required by Prudential to perform its duties under the Group Contract, and to determine the premium rates. All records of the Contract Holder and of the Employer which bear on the insurance must be open to Prudential for its inspection at any reasonable time.

Prudential will not have to perform any duty that depends on such data before it is received in a form that satisfies Prudential. The Contract Holder may correct wrong data given to Prudential, if Prudential has not been harmed by acting on it. An Associate's insurance under a Coverage will not be made invalid by failure of the Contract Holder or the Employer, due to clerical error, to record or report the Associate for that insurance.

## **I. THE CONTRACT - INCONTESTABILITY OF THE CONTRACT.**

The entire Group Contract consists of: (1) the Group Insurance Certificate(s) listed in the Schedule of Plans, a copy of which is attached to the Group Contract; (2) all modifications and endorsements to such Group Insurance Certificates which are attached to and made a part of the Group Contract by amendment to the Group Contract; (3) the forms shown in the Table of Contents as of the Contract Date; (4) the Contract Holder's application, a copy of which is attached to the Group Contract; (5) any endorsements or amendments to the Group Contract; and (6) the individual applications, if any, of the persons insured.

No statement of the Contract Holder will be used in any contest of the insurance under the Group Contract.

There will be no contest of the validity of the Group Contract, except for not paying premiums, after it has been in force for one year.

## **J. MODIFICATION OF THE GROUP CONTRACT.**

The Group Contract may be amended, at any time, without the consent of the insured Associates or of anyone else with a beneficial interest in it. This can be done through written request made by the Contract Holder and agreed to by Prudential. But an amendment will not affect a claim incurred before the date of change.

Only an officer of Prudential has authority: to waive any conditions or restrictions of the Group Contract; or to extend the time in which a premium may be paid; or to make or change a contract; or to bind Prudential by a promise or representation or by information given or received. A Prudential agent is not an officer.

No change in the Group Contract is valid unless shown in:

- (1) an endorsement on it signed by an officer of Prudential; or
- (2) an amendment to it signed by the Contract Holder and by an officer of Prudential.

But, a change in the Group Contract may be made in an amendment to it that is signed only by an officer of Prudential if:

- (1) The amendment reflects a change in the Group Contract that has been automatically made to satisfy the requirements of any state or federal law or regulation that applies to the Group Contract, as provided in the Conformity With Law section. This change is known as a Statutory Amendment.

- (2) The amendment reflects a change in Prudential's administration of its group insurance benefits and is intended to apply to all group insurance contracts which are affected by the change. This change is known as a Portfolio Amendment. Prudential will give the Contract Holder written notice of its intent to make a Portfolio Amendment in the Group Contract at least 31 days in advance of the effective date of the Amendment. When the Group Contract is so amended, payment by the Contract Holder of the next premium due under the Group Contract will constitute acceptance of the Portfolio Amendment, unless the Contract Holder has rejected the Amendment, in writing, prior to its effective date.

#### **K. OTHER GOODS AND SERVICES.**

From time to time, Prudential may offer or provide Covered Persons or their Beneficiaries certain goods and services in addition to the insurance coverage. Prudential also may arrange for third party vendors to provide goods and services at a discount (including without limitation beneficiary financial counseling services and employee assistance programs) to Covered Persons or their Beneficiaries. Though Prudential may make the arrangements, the third party vendors are solely liable for providing the goods and services. Prudential shall not be responsible for providing or failing to provide the goods and services to Covered Persons or their Beneficiaries. Further, Prudential shall not be liable to Covered Persons or their Beneficiaries for the negligent provision of the goods and services by third party vendors.

#### **L. CONFORMITY WITH LAW.**

If the provisions of the Group Contract do not conform to the requirements of any state or federal law or regulation that applies to the Group Contract, the Group Contract is automatically changed to conform with Prudential's interpretation of the requirements of that law or regulation.

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# Modification of the Group Contract

The Group Contract is modified to include the following section:

## **END OF EMPLOYMENT**

An Associate's employment ends when the Associate is no longer classified as full-time and actively at work in the Contract Holder's payroll system. But, for insurance purposes, the Contract Holder may consider the Associate as still employed and in the Covered Classes for the insurance during certain types of absences from full-time work. The Contract Holder decides which Associates with those types of absences are to be considered as still employed, and for how long. In doing this, the Contract Holder must not discriminate among persons in like situations.

An Associate may be considered as still employed up to any time limit for the Associate's type of absence. When so considered, the Associate's insurance under a Coverage will be continued only while the Associate is paying contributions for it at the time and in the amounts, if any, required by the Contract Holder (whether or not that insurance would otherwise be Non-contributory Insurance). But it will not be continued after it would end for a reason other than end of employment. The types of absences and the time limits are shown below, subject to any exceptions.

## **TYPES OF ABSENCES AND TIME LIMITS:**

For absence due to part-time employment or retirement, there is no time limit.

For absence due to disability, there is no time limit.

For absence due to temporary layoff or leave of absence the time limit is the earliest of the following in which the absence from full-time work starts:

- (a) the Contract Holder ceases to remit premium or otherwise terminates the coverage; or
- (b) twelve months from the date the Associate ceases to be Actively at Work, or as determined by the Contract Holder.
- (c) the date the Contract terminates.

## **EXCEPTIONS:**

### **Associate Term Life Coverage**

Retirement is not an eligible type of absence.

### **Dependents Term Life Coverage**

The types of absences and limits for the Associate Term Life Coverage under the Group Contract apply.

# Schedule of Plans

**Effective Date:** January 1, 2005

**Group Contract No.:** G-43939-AR

This Schedule of Plans sets forth the Plan of Benefits that applies to each Covered Class under the Group Contract listed below as of the Effective Date. The Plan of Benefits for a Covered Class is determined by: (1) the Group Insurance Certificates that apply to the Covered Class; and (2) any modification to those Certificates, provided the modification is listed below or included in an amendment to the Group Contract. A copy of each Certificate and any modification to it are attached to the Group Contract and made a part of it.

**Covered Class:**

All Associates included in the Covered Classes of the Group Insurance Certificate(s) listed below.

**Plan of Benefits that Applies to this Covered Class:**

- (1) The Coverage(s) described in the Group Insurance Certificate prepared for the Group Contract shown above:
    - (a) With the Program Date of January 1, 2005; and
    - (b) Bearing the code "43939, LIFE-DEP LIFE, All Associates, Ed 05-2004, 1".
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# Separate Experience

This applies when Prudential determines the premium refund, if any, allocable to the Group Contract. In doing that, Prudential will separate the financial experience of:

These Coverages:

- (1) Basic Associate Term Life Coverage.
  - (2) All other Coverages of the Group Contract.
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U#04133-0061

# Application to

## The Prudential Insurance Company of America (Prudential)

**For Group Contract No.** G-43939-AR

**Applicant:** WAL-MART STORES, INC.

**Address:** 922 W. Walnut  
Suite A  
Rodgers, Arkansas 72756-3540

The Group Contract is approved and its terms are accepted.

This Application is made in duplicate. One is attached to the Group Contract. The other is to be returned to Prudential.

It is agreed that this Application replaces any prior Application for the Group Contract.

WAL-MART STORES, INC.

\_\_\_\_\_  
(Full or Corporate Name of Applicant)

Dated at \_\_\_\_\_

By \_\_\_\_\_  
(Signature and Title)

On \_\_\_\_\_, 20\_\_\_\_\_

Witness \_\_\_\_\_  
(To be signed by Resident  
Agent where required by law)

**NOTICE:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.





## **Wal-Mart Stores, Inc.**

Associate Term Life Coverage

Basic and Optional Plans

Dependents Term Life Coverage

Accidental Death and

Dismemberment Coverage



# Disclosure Notice

## FOR ARKANSAS RESIDENTS

Prudential's Customer Service Office:

The Prudential Insurance Company of America  
Prudential Group Life Claim Division  
P.O. Box 8517  
Philadelphia, PA 19176  
1-800-524-0542

If Prudential fails to provide you with reasonable and adequate service, you may contact:

Arkansas Insurance Department  
Consumer Services Division  
1200 West Third Street  
Little Rock, Arkansas 72201-1904  
1-800-852-5494

## FOR FLORIDA RESIDENTS

**The benefits of the policy providing your coverage are governed by the law of a state other than Florida.**

## FOR INDIANA RESIDENTS

Questions regarding your policy or coverage should be directed to:

**The Prudential Insurance Company of America  
(800) 524-0542**

If you (a) need the assistance of the governmental agency that regulates insurance; or (b) have a complaint you have been unable to resolve with your insurer you may contact the Department of Insurance by mail, telephone or e-mail:

State of Indiana Department of Insurance  
Consumer Services Division  
311 West Washington Street, Suite 300  
Indianapolis, Indiana 46204

Consumer Hotline: (800) 622-4461; (317) 232-2395

Complaints can be filed electronically at [www.in.gov/idoi](http://www.in.gov/idoi).

## **FOR MARYLAND RESIDENTS**

**The Group Insurance Contract providing coverage under this Certificate was issued in a jurisdiction other than Maryland and may not provide all of the benefits required by Maryland law.**

## **FOR WISCONSIN RESIDENTS**

## **KEEP THIS NOTICE WITH YOUR INSURANCE PAPERS**

Problems with Your Insurance? – If you are having problems with your insurance company or agent, do not hesitate to contact the insurance company or agent to resolve your problem.

### **Prudential's Customer Service Office:**

**The Prudential Insurance Company of America  
Prudential Group Life Claim Division  
P.O. Box 8517  
Philadelphia, PA 19176  
1-800-524-0542**

You can also contact the Office of the Commissioner of Insurance, a state agency which enforces Wisconsin's insurance laws, and file a complaint. You can contact the Office of the Commissioner of Insurance by contacting:

Office of the Commissioner of Insurance  
Complaints Department  
P.O. Box 7873  
Madison, WI 53707-7873  
1-800-236-8517  
608-266-0103

**THIS NOTICE IS FOR TEXAS RESIDENTS ONLY**

**IMPORTANT NOTICE**

To obtain information or make a complaint:

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

**1-800-252-3439**

You may write the Texas Department of Insurance:

P.O. Box 149104  
Austin, TX 78714-9104  
Fax: (512) 475-1771

Web: <http://www.tdi.state.tx.us>

Email: [ConsumerProtection@tdi.state.tx.us](mailto:ConsumerProtection@tdi.state.tx.us)

**AVISO IMPORTANTE**

Para obtener información o para someter una queja:

Puede comunicarse con el Departamento de Seguros de Texas para obtener información acerca de compañías, coberturas, derechos o quejas al:

**1-800-252-3439**

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104  
Austin, TX 78714-9104  
Fax: (512) 475-1771

Web: <http://www.tdi.state.tx.us>

Email: [ConsumerProtection@tdi.state.tx.us](mailto:ConsumerProtection@tdi.state.tx.us)

**PREMIUM OR CLAIM DISPUTES:**

Should you have a dispute concerning your premium or about a claim you should contact Prudential first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

**ATTACH THIS NOTICE TO YOUR POLICY:**

This notice is for information only and does not become a part or condition of the attached document.

**DISPUTAS SOBRE PRIMAS O RECLAMOS:**

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con Prudential primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

**UNA ESTE AVISO A SU POLIZA:**

Este aviso es sólo para propósito de información y no se convierte en parte o condición del documento adjunto.

## THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

# Certificate of Coverage

**Prudential** certifies that insurance is provided according to the Group Contract(s) for each Insured Associate. Your Booklet's Schedule of Benefits shows the Contract Holder and the Group Contract Number(s).

**Insured Associate:** You are eligible to become insured under the Group Contract if you are in the Covered Classes of the Booklet's Schedule of Benefits and meet the requirements in the Booklet's Who is Eligible section. The When You Become Insured section of the Booklet states how and when you may become insured for each Coverage. Your insurance will end when the rules in the When Your Insurance Ends section so provide. Your Booklet and this Certificate of Coverage together form your Group Insurance Certificate.

**Beneficiary for Associate Death Benefits:** See the Booklet's Beneficiary Rules.

**Coverages and Amounts:** The available Coverages and the amounts of insurance are described in the Booklet.

If you are insured, your Booklet and this Certificate of Coverage form your Group Insurance Certificate. Together they replace any older booklets and certificates issued to you for the Coverages in the Booklet's Schedule of Benefits. All Benefits are subject in every way to the entire Group Contract which includes the Group Insurance Certificate.

The Prudential Insurance Company of America  
751 Broad Street  
Newark, New Jersey 07102

## Foreword

*We are pleased to present you with this Booklet. It describes the Program of benefits we have arranged for you and what you have to do to be covered for these benefits.*

*We believe this Program provides worthwhile protection for you and your family.*

*Please read this Booklet carefully. If you have any questions about the Program, we will be happy to answer them.*

**IMPORTANT NOTICE:** *This Booklet is an important document and should be kept in a safe place. This Booklet and the Certificate of Coverage made a part of this Booklet together form your Group Insurance Certificate.*

**IMPORTANT INFORMATION FOR RESIDENTS OF CERTAIN STATES:** *There are state-specific requirements that may change the provisions under the Coverage(s) described in this Group Insurance Certificate. If you live in a state that has such requirements, those requirements will apply to your Coverage(s) and are made a part of your Group Insurance Certificate. Prudential has a website that describes these state-specific requirements. You may access the website at [www.prudential.com/etonline](http://www.prudential.com/etonline). When you access the website, you will be asked to enter your state of residence and your Access Code. **Your Access Code is 43939.***

*If you are unable to access this website, want to receive a printed copy of these requirements or have any questions, call Prudential at 1-866-439-9026.*

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# Schedule of Benefits

**Covered Classes:** The "Covered Classes" are these Associates of the Contract Holder (and its Associated Companies):

- (1) All Associates who are classified as full-time in the Contract Holder's payroll system and who are identified as eligible for coverage by the Contract Holder. The following individuals are not eligible for coverage: leased Employees, nonresident aliens except those classified as full-time in the U.S. payroll system, independent contractors, consultants, Associates covered by a collective bargaining agreement to the extent the collective bargaining agreement does not provide for participation in this insurance benefit, and any individual who is not classified as an Associate of the Contract Holder.
- (2) All full-time Associates of Global Employment Solutions, as designated by global assignment letter or employment contract, of the Walmart Far East Management Pte Ltd, Hong Kong Branch, Global Employment Solutions Division, who are identified as eligible for coverage by the Contract Holder and as reported to Prudential.

**Program Date:** January 1, 2016. This Booklet describes the benefits under the Group Program as of the Program Date.

- This Booklet and the Certificate of Coverage together form your Group Insurance Certificate. The Coverages in this Booklet are insured under a Group Contract issued by Prudential. All benefits are subject in every way to the entire Group Contract which includes the Group Insurance Certificate. It alone forms the agreement under which payment of insurance is made.

## BASIC ASSOCIATE TERM LIFE COVERAGE

### BENEFIT AMOUNTS:

#### Amount For Each Benefit Class:

Benefit Classes	Amount of Insurance
All Associates	100% of your annual Earnings. If this amount is not a multiple of \$1,000, it will be rounded to the nearer multiple of \$1,000 with \$500 rounded up.  Maximum Amount: \$50,000.

The Definitions section explains what "Earnings" means.

**Effect of Option to Accelerate Payment of Death Benefits:** Your amount of insurance is equal to the greater of: (a) 100% of your annual Earnings, based on the most recent average salary for the last 26 pay-periods, reduced by the amount of any Terminal Illness Proceeds paid under the Option to Accelerate Payment of Death Benefits; and (b) the amount of insurance in effect prior to payment of any Terminal Illness Proceeds, reduced by the amount of any Terminal Illness Proceeds paid under the Option to Accelerate Payment of Death Benefits.

**OPTIONAL ASSOCIATE TERM LIFE COVERAGE****BENEFIT AMOUNTS:****Amount For Each Benefit Class:**

<b>Benefit Classes</b>	<b>Amount of Insurance</b>
All Associates other than Management Associates, as classified in the Contract Holder's payroll system	
Option 1	\$25,000
Option 2	\$50,000
Option 3	\$75,000
Option 4	\$100,000
Option 5	\$150,000
Option 6	\$200,000

<b>Benefit Classes</b>	<b>Amount of Insurance</b>
All Management Associates, as classified in the Contract Holder's payroll system	
Option 1	\$25,000
Option 2	\$50,000
Option 3	\$75,000
Option 4	\$100,000
Option 5	\$150,000
Option 6	\$200,000
Option 7	\$300,000
Option 8	\$500,000
Option 9	\$750,000
Option 10	\$1,000,000

**Non-Medical Limit on Amount of Insurance:** There is a limit on the amount for which you may be insured without submitting evidence of insurability. This is called the Non-Medical Limit.

If the amount of insurance for your Class at any time is more than the Non-Medical Limit, you must give evidence of insurability satisfactory to Prudential at the time you apply for such amount and before the part over the Limit can become effective.

This requirement applies: when you first become insured; if you request an increase in your Amount of Insurance; or if the amount for your Class is changed by an amendment to the Group Contract. Even if you are insured for an amount over the Limit, you will still have to meet this evidence requirement before any increase in your amount of insurance can become effective. The amount of your insurance will be increased to the amount for your Class when Prudential decides the evidence is satisfactory and you meet the Active Work Requirement.

Non-Medical Limit: \$25,000.

Note: The Non-Medical Limit does not apply to any amount of insurance for which you were insured under another group contract providing associate term life coverage for Associates of the Employer on the day prior to the Program Date.

**Increases and Decreases:** You may elect to have your amount of insurance under the Coverage changed at any time. You must do this in a manner approved by Prudential. You must agree to make any required contributions in accordance with the Contract Holder's payroll practice.

If you request an increase, you must give evidence of insurability. That change will become effective on the date: 1) Prudential decides the evidence is satisfactory, and 2) your insurance is not being delayed under the Delay of Effective Date section.

If you request a lower amount of insurance, that change will become effective on the date your request is submitted to Walmart in the manner approved.

**Effect of Option to Accelerate Payment of Death Benefits:** Your amount of insurance (as determined in the absence of this provision) will be reduced by the amount of any Terminal Illness Proceeds paid under the Option to Accelerate Payment of Death Benefits.

## OPTIONAL DEPENDENTS TERM LIFE COVERAGE

The amount of insurance is the amount for your Benefit Class. You may enroll your Qualified Dependents for the plan shown below. You may choose the amount of insurance and the amount for which you enroll will be recorded by your Employer and reported to Prudential. Your Benefit Class is determined by the classification of your dependents and the amount for which you enroll as shown in this table.

Qualified Dependents Classification	Amount of Insurance*
Your spouse or Domestic Partner	
Option 1	\$5,000
Option 2	\$15,000
Option 3	\$25,000
Option 4	\$50,000

Option 5	\$75,000
Option 6	\$100,000

Your children, living at birth

Option 1	\$2,000
Option 2	\$5,000
Option 3	\$10,000

All other children \$2,000

\*If you have a newborn child that is born alive and dies within 60 days of birth, and have enrolled for Dependents Term Life Coverage, the amount of insurance for which your Dependent child is enrolled will be payable. If you are not enrolled for Dependent Term Life Coverage and your newborn child is born alive and dies within 60 days of birth the amount of insurance will be limited to \$2,000.

**Non-Medical Limit on Amount of Insurance for Your Spouse or Domestic Partner:** There is a limit on the amount for which your spouse or Domestic Partner may be insured without submitting evidence of insurability. This is called the Non-Medical Limit.

If you elect an amount of Dependents Term Life Coverage for your spouse or Domestic Partner above the Non-medical Limit, you must give evidence of insurability for your spouse or Domestic Partner satisfactory to Prudential at the time you apply for such amount and before the part over the Limit can become effective. The amount of your spouse's or Domestic Partner's insurance will be increased when Prudential decides the evidence is satisfactory and your spouse or Domestic Partner is not home or confined elsewhere for medical care or treatment. This requirement applies: when your spouse or Domestic Partner first becomes insured, or if you elect to have your spouse's or Domestic Partner's amount of Dependents Term Life Coverage increased.

Non-medical Limit: \$5,000.

Note: The Non-Medical Limit for your spouse or Domestic Partner does not apply to any amount of insurance for which you were insured under another group contract providing dependents term life coverage for dependents of Associates of the Employer on the day prior to the Program Date.

**Increases and Decreases:** If there is more than one amount of insurance available for your dependents, you may elect to have the amount of insurance on your dependents changed. You must do this in a manner approved by Prudential. You must agree to make any required contributions in accordance with the Contract Holder's payroll practice.

If you request an increase for your spouse or Domestic Partner, you must give evidence of insurability for your spouse or Domestic Partner. That increase will become effective: 1) on the date Prudential decides the evidence is satisfactory and 2) your insurance for your spouse or Domestic Partner is not being delayed under Delay of Effective Date section. Evidence of insurability is not required for an increase for a Qualified Dependent child.

If you request an increase in for a Qualified Dependent child, and your insurance is not being delayed under the Delay of Effective Date section, that change will become effective on the date your request is submitted to Walmart in the manner approved.

If you request a lower amount for any dependent, the amount of insurance will become effective on the date of your request is submitted to Walmart in the approved manner.

**Changing Plans Due to Marriage:** Within 60 days of marriage, you may elect to enroll or have the amount of insurance for your dependent spouse changed. You must do this in a manner approved by Prudential. You must agree to pay the required contributions in accordance with the Contract Holder's payroll practice.

If you request an increase of more than \$5,000 or a new enrollment of more than \$5,000 for your spouse, you must give evidence of insurability for your spouse. If evidence of insurability is required, coverage will be effective: 1) on the date Prudential decides the evidence is satisfactory, and 2) your insurance for your spouse is not being delayed under the Delay of Effective Date section. If evidence of insurability is not required, coverage will be effective on the date designated by Walmart.

If you request a lower amount of insurance for your dependent spouse, that lower amount of insurance will become effective on the date designated by Walmart.

## **OPTIONAL ACCIDENTAL DEATH AND DISMEMBERMENT COVERAGE**

### **BENEFIT AMOUNTS UNDER ASSOCIATE INSURANCE:**

You may enroll for one of the options below. The option for which you enroll will be recorded by your Employer and reported to Prudential.

#### **Amount For Each Benefit Class:**

<b>Benefit Classes</b>	<b>Amount of Insurance</b>
All Associates other than Vice Presidents and above	
Option 1	\$25,000
Option 2	\$50,000
Option 3	\$75,000
Option 4	\$100,000
Option 5	\$150,000
Option 6	\$200,000

<b>Benefit Classes</b>	<b>Amount of Insurance</b>
All Vice Presidents and above	
Option 1	\$25,000
Option 2	\$50,000
Option 3	\$75,000
Option 4	\$100,000
Option 5	\$150,000

Option 6	\$200,000
Option 7	\$300,000
Option 8	\$500,000

**BENEFIT AMOUNTS UNDER DEPENDENTS INSURANCE:**

The amount of insurance on each of your Qualified Dependents is a percent of your amount of Associate Insurance under the Coverage. The percent that applies on any date is shown below. It is based on the persons who are then your Qualified Dependents.

<b>Persons who are your Qualified Dependents</b>	<b>Amount of insurance on each Qualified Dependent, as a percent of your Associate Insurance</b>
Your spouse or Domestic Partner only	50% on your spouse or Domestic Partner *
Your child(ren) only	25% on each child*
	*Maximum Amount for your spouse or Domestic Partner only: \$250,000.
	*Maximum Amount for your child(ren) only: \$125,000.
Your spouse or Domestic Partner and child(ren)	40% on your spouse or Domestic Partner **; and 10% on each child**
	**Maximum Amount for your spouse or Domestic Partner: \$200,000.
	**Maximum for each Child: \$50,000.

**ADDITIONAL BENEFITS UNDER ASSOCIATE AND DEPENDENTS INSURANCE:**

For the purposes of determining benefits under the Coverage, Amount of Insurance does not include any additional amount payable as shown below.

**Additional Amount Payable for Loss of Life as a Result of an Accident in an Automobile While Using a Seat Belt: \$10,000.**

If it cannot be determined that the person was wearing a Seat Belt at the time of the Accident, a benefit of \$1,000 will be paid.

**Additional Amount Payable for Tuition Reimbursement for Your Dependent Spouse or Domestic Partner:** An amount equal to the least of:

- (1) the actual annual tuition charged for the program;
- (2) 10% of your Amount of Insurance; and
- (3) \$25,000.

This benefit is payable for four years.

**Additional Amount Payable for Tuition Reimbursement for Your Dependent Child:** An amount equal to the least of:

- (1) the actual annual tuition, exclusive of room and board, charged by the School;
- (2) 10% of the Amount of Insurance on the person; and
- (3) \$25,000.

This benefit is payable annually for up to 4 consecutive years, but not beyond the date the child reaches age 26.

**Additional Amount Payable for Child Care Expenses for Your Dependent Child:** An amount equal to the least of:

- (1) the actual cost charged by such Child Care Center per year;
- (2) 10% of the Amount of Insurance on the person; and
- (3) \$12,500.

This benefit is payable annually for up to 5 consecutive years, but not beyond the date the child reaches age 13.

**Additional Amount Payable for Your Spouse's or Domestic Partner's Loss of Life as a Result of a Common Accident:** An amount equal to the difference between:

- (1) the Amount of Insurance payable under the Coverage for your Loss of life; and
- (2) the Amount of Insurance payable under the Coverage for your spouse's or Domestic Partner's Loss of life.

**Additional Amount Payable for Home Alteration and Vehicle Modification:** An amount equal to the least of:

- (1) the actual cost charged for the alteration or modification;
- (2) 10% of the Amount of Insurance on the person; and
- (3) \$10,000.

**Additional Monthly Amount Payable for Medical Premium:** An amount equal to the least of:

- (1) the amount of the medical premium;
- (2) 5% of your Amount of Insurance; and
- (3) \$500.

This benefit will be paid monthly until the first of these occurs:

- (1) Your continued membership in your Employer's medical plan ends.
- (2) You become covered under any other group medical plan.
- (3) The benefit has been paid for 36 consecutive months.

**Additional Benefit for Spouse or Domestic Partner or Child Medical Premium:** An amount equal to the lesser of:

- (1) the actual amount of the medical premium; and
- (2) \$10,000.

This benefit will be paid yearly until the first of these occurs:

- (1) Your spouse's or Domestic Partner's or child's continued membership in your Employer's medical plan ends.
- (2) Your spouse or Domestic Partner or child becomes covered under any other group medical plan.
- (3) The benefit has been paid for 3 consecutive years.

**Additional Monthly Amount Payable for Rehabilitation Expense:** An amount equal to the lesser of:

- (1) 10% of the Amount of Insurance on the person; and
- (2) \$250.

This benefit will be paid monthly until the first of these occurs:

- (1) A Doctor determines that the person no longer needs rehabilitation.
- (2) The person fails to furnish any required proof of the person's continuing need for rehabilitation.
- (3) The person fails to submit to a medical exam by Doctors named by Prudential, at Prudential's expense, when and as often as Prudential requires.
- (4) The benefit has been paid for 36 consecutive months.

**Additional Benefit for Loss of Life as a Result of a Motorcycle Accident While Wearing Safety Equipment:** \$10,000.

If it cannot be determined that the person was wearing the necessary safety equipment at the time of the Accident, a benefit of \$1,000 will be paid.

**To Whom Payable:** The benefits are payable to you with these exceptions:

- (1) Benefits for tuition reimbursement for your spouse or Domestic Partner payable on account of your Loss of life will be paid to:
  - (a) your spouse or Domestic Partner, if living; or
  - (b) your spouse's or Domestic Partner's estate.
- (2) Benefits for child care expenses or tuition reimbursement for your dependent children will be paid to the person or institution appearing to Prudential to have assumed the main support of the children when such benefits are payable on account of:
  - (a) your Loss of life; or
  - (b) your spouse's or Domestic Partner's Loss of life that are unpaid at your death.



- (3) Benefits for common accident will be paid to the person or institution appearing to Prudential to have assumed the main support of your dependent children.
- (4) Benefits for any other of your Losses that are unpaid at your death or become payable on account of your death will be paid to your Beneficiary or Beneficiaries. (See Beneficiary Rules.)
- (5) If you are not living, benefits for a dependent's Losses are payable to the dependent who suffered the Loss. If that dependent is not living, the benefits will be paid to that dependent's estate.

## OTHER INFORMATION

**Contract Holder:** WAL-MART STORES, INC.

**Group Contract No.:** G-43939-AR

**Associated Companies:** Associated Companies are employers who are the Contract Holder's subsidiaries or affiliates and are reported to Prudential in writing for inclusion under the Group Contract, provided that Prudential has approved such request.

**Cost of Insurance:** Insurance under the Coverage(s) listed below is Non-Contributory Insurance.

Basic Associate Term Life Coverage

Insurance under the other Coverage(s) in this Booklet is Contributory Insurance. You will be informed of the amount of your contribution when you enroll. Any contribution due but unpaid at your death may be deducted from the death benefit.

### Prudential's Address:

The Prudential Insurance Company of America  
80 Livingston Avenue  
Roseland, New Jersey 07068

## WHEN YOU HAVE A CLAIM

Each time a claim is made, it should be made without delay. Use a claim form, and follow the instructions on the form.

If you do not have a claim form, contact your Employer.

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# Who is Eligible to Become Insured

## FOR ASSOCIATE INSURANCE

**You are eligible for Associate Insurance while:**

- You are a full-time Associate of the Employer; and
- You are in a Covered Class; and
- You have completed the Eligibility Waiting Period, if any. You may need to work for the Employer for a continuous full-time period before you become eligible for the Coverage. The period must be agreed upon by the Employer and Prudential. Your Employer will inform you of any such Eligibility Waiting Period for your class.

**You are full-time** if you are classified as full-time in the Contract Holder's payroll system.

**Your class** is determined by the Contract Holder. This will be done under its rules, on dates it sets. The Contract Holder must not discriminate among persons in like situations. You cannot belong to more than one class for insurance on each basis, Contributory or Non-contributory Insurance, under a Coverage. "Class" means Covered Class, Benefit Class or anything related to work, such as position or Earnings, which affects the insurance available.

**This applies if you are an Associate of more than one subsidiary or affiliate of an employer included under the Group Contract:** For the insurance, you will be considered an Associate of only one of those subsidiaries or affiliates. Your service with the others will be treated as service with that one.

The rules for obtaining Associate Insurance are in the When You Become Insured section.

## FOR DEPENDENTS INSURANCE

**You are eligible for Dependents Insurance while:**

- You are eligible for Associate Insurance; and
- You have a Qualified Dependent.

**Qualified Dependents:**

**These are the persons for whom you may obtain Dependents Insurance:**

- A person who satisfies the requirements for being a marital spouse under the law of any State or territory of the United States where the relationship was lawfully entered into or a person who is your Domestic Partner.

Your Domestic Partner is a person of the same or opposite sex who:

- (1) Satisfies the requirements for being a domestic partner, registered domestic partner or civil union partner under the law of any State or territory of the United States where the relationship was lawfully entered into; or
- (2) Is a person of the same or opposite sex who satisfies all of the following:
  - (a) meets the legal age under state law for the creation of marriage; and
  - (b) is not related to you by blood or a degree of closeness that would prohibit marriage in the law of the jurisdiction in which you reside; and
  - (c) is mentally competent to consent to contract; and
  - (d) is not married to another person under statutory or common law nor in a domestic partnership, registered domestic partnership or civil union with another person; and
  - (e) is in a single dedicated, serious and committed relationship with you; and
  - (f) are in an exclusive and committed relationship similar to marriage and have been for at least 12 months and intend to continue indefinitely; and
  - (g) is not in the relationship solely for the purpose of obtaining benefits coverage.

Either a Spouse or a Domestic Partner may be a Qualified Dependent under the Program at any one time, but not both at the same time. A change in residence will not impact a dependent's status as a Qualified Dependent.

- Your children to 26 years old.

Your children include your natural children, legally adopted children, and children placed with you for adoption prior to legal adoption, stepchildren, Domestic Partner's children and foster children, and any child for whom you have legal custody or guardianship.

Your children also include your natural children, whose death occurs before expulsion, extraction or delivery, and:

- (1) Whose fetal weight is 350 grams or more; or
- (2) If the fetal weight is unknown, whose duration in utero was 20 or more complete weeks of gestation, calculated from the date the last normal menstrual period began to the date of the expulsion, extraction or delivery.

**Exceptions:**

- (1) For Dependents Term Life Coverage, your spouse or Domestic Partner or child is not your Qualified Dependent while on active duty in the armed forces of any country.
- (2) For accident Coverage, your spouse or Domestic Partner or child is not your Qualified Dependent while on active duty in the armed forces of any country.

The rules for obtaining Dependents Insurance are in the When You Become Insured section.

# When You Become Insured

## FOR ASSOCIATE INSURANCE

Your Associate Insurance under a Coverage will begin the first day on which:

- You have enrolled, if the Coverage is Contributory; and
- You are eligible for Associate Insurance; and
- You are in a Covered Class for that insurance; and
- You have met any evidence requirement for Associate Insurance; and
- Your insurance is not being delayed under the Delay of Effective Date section below; and
- That Coverage is part of the Group Contract.

For Contributory Insurance, you must enroll in a manner approved by Prudential and agree to pay the required contributions. Your Employer will tell you whether contributions are required and the amount of any contribution when you enroll.

At any time, the benefits for which you are insured are those for your class, unless otherwise stated.

**When evidence is required:** In any of these situations, you must give evidence of insurability. This requirement will be met when Prudential decides the evidence is satisfactory.

- (1) For Contributory Insurance, you do not enroll within the specific time period for your class, as determined by the Employer.
- (2) You enroll after any of your insurance under the Group Contract ends because you did not pay a required contribution.
- (3) You wish to become insured for life insurance and have an individual life insurance contract which you obtained by converting your insurance under a Coverage of the Group Contract.
- (4) You have not met a previous evidence requirement to become insured under any Prudential group contract covering Associates of the Employer.

## FOR DEPENDENTS INSURANCE

Your Dependents Insurance under a Coverage for a person will begin the first day on which all of these conditions are met:

- You have enrolled for Dependents Insurance under the Coverage.
- The person is your Qualified Dependent.
- You are in a Covered Class for that insurance.
- You have met any evidence requirement for that Qualified Dependent.

- Your insurance for that Qualified Dependent is not being delayed under the Delay of Effective Date section below.
- Dependents Insurance under that Coverage is part of the Group Contract.

For Contributory Insurance, you must enroll in a manner approved by Prudential and agree to pay the required contributions. Your Employer will tell you whether contributions are required and the amount of any contribution when you enroll.

At any time, the Dependents Insurance benefits for which you are insured are those for your class, unless otherwise stated.

**When evidence is required:** In any of these situations, you must give evidence of insurability for a Qualified Dependent spouse or Domestic Partner. This requirement will be met when Prudential decides the evidence is satisfactory. Evidence is not required for a Qualified Dependent child.

- (1) For Contributory Insurance, you do not enroll for Dependents Insurance under a Coverage within the specific time period for your class, as determined by the Employer.
- (2) You enroll for Dependents Insurance after any insurance under the Group Contract ends because you did not pay a required contribution.
- (3) The Qualified Dependent is a person for whom a previous requirement for evidence of insurability has not been met. The evidence was required for that person to become covered for an insurance, as a dependent or an Associate. That insurance is or was under any Prudential group contract for Associates of the Employer.

**Change in Family Status:** It is important that you inform the Employer promptly when you first acquire a Qualified Dependent. You should also inform the Employer if your Dependents Insurance status changes from one to another of these categories:

- No Qualified Dependents.
- Qualified Dependent spouse or Domestic Partner only.
- Qualified Dependent spouse or Domestic Partner and children.
- Qualified Dependent children only.

If you are insured under a Coverage for one or more children, you need not report additional children.

## Delay of Effective Date

### FOR ASSOCIATE TERM LIFE COVERAGE

Your Associate Insurance under a Coverage will be delayed if you do not meet the Active Work Requirement on the day your insurance would otherwise begin. Instead, it will begin on the first day you meet the Active Work Requirement for the insurance. The same delay rule will apply to any change in your insurance that is subject to this section.

## **FOR DEPENDENTS TERM LIFE COVERAGE**

A Qualified Dependent may be confined for medical care or treatment, at home or elsewhere. If a Qualified Dependent is so confined on the day that your Dependents Insurance under a Coverage for that Qualified Dependent, or any change in that insurance that is subject to this section, would take effect, it will not then take effect. The insurance or change will take effect upon the Qualified Dependent's final medical release from all such confinement. The other requirements for the insurance or change must also be met.

Newborn Child Exception: This section does not apply to a child of yours if the child is born to you, becomes your Qualified Dependent at birth, and either:

- (1) is your first Qualified Dependent; or
  - (2) becomes a Qualified Dependent while you are insured for Dependents Insurance under that Coverage for any other Qualified Dependent.
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# Basic Associate Term Life Coverage

## FOR YOU ONLY

### A. DEATH BENEFIT WHILE A COVERED PERSON.

If you die while a Covered Person, the amount of your Associate Term Life Insurance under this Coverage is payable when Prudential receives written proof of death.

### B. DEATH BENEFIT DURING CONVERSION PERIOD.

A death benefit is payable under this Section B if you die:

- (1) within 31 days after you cease to be a Covered Person; and
- (2) while entitled (under Section C) to convert your Associate Term Life Insurance under this Coverage to an individual contract.

The amount of the benefit is equal to the amount of Associate Term Life Insurance under this Coverage you were entitled to convert. It is payable even if you did not apply for conversion. It is payable when Prudential receives written proof of death.

### C. CONVERSION PRIVILEGE.

If you cease to be insured for the Associate Term Life Insurance of the Group Contract for one of the reasons stated below, you may convert all or part of your insurance under this Coverage, which then ends, to an individual life insurance contract. Evidence of insurability is not required. The reasons are:

- (1) Your employment ends or you transfer out of a Covered Class.
- (2) All term life insurance of the Group Contract for your class ends by amendment or otherwise. But, on the date it ends, you must have been insured for five years for that insurance (or for that insurance and any Prudential rider or group contract replaced by that insurance).

Any such conversion is subject to the rest of this Section C.

**Availability:** You must apply for the individual contract and pay the first premium by the later of:

- (1) the thirty-first day after you cease to be insured for the Associate Term Life Insurance; and
- (2) the fifteenth day after you have been given written notice of the conversion privilege. But, in no event may you convert the insurance to an individual contract if you do not apply for the contract and pay the first premium prior to the ninety-second day after you cease to be insured for the Associate Term Life Insurance.

**Individual Contract Rules:** The individual contract must conform to the following:

Amount: Not more than your Associate Term Life Insurance under this Coverage when your insurance ends. But, if it ends because all term life insurance of the Group Contract for your class ends, the total amount of individual insurance which you may get in place of all your life insurance then ending under the Group Contract will not exceed the lesser of the following:

- (1) The total amount of all your life insurance then ending under the Group Contract reduced by the amount of group life insurance from any carrier for which you are or become eligible within the next 31 days.
- (2) \$10,000.

Form: Any form of a life insurance contract that:

- (1) conforms to Title VII of the Civil Rights Act of 1964, as amended, having no distinction based on sex; and
- (2) is one that Prudential usually issues at the age and amount applied for.

This does not include term insurance or a contract with disability or supplementary benefits.

Premium: Based on Prudential's rate as it applies to the form and amount, and to your class of risk and age at the time.

Effective Date: The end of the 31 day period after you cease to be insured for the Associate Term Life Insurance.

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Any death benefit provided under a section of this Coverage is payable according to that section and the Beneficiary and Mode of Settlement Rules.

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# Optional Associate Term Life Coverage

## FOR YOU ONLY

### A. DEATH BENEFIT WHILE A COVERED PERSON.

If you die while a Covered Person, the amount of your Associate Term Life Insurance under this Coverage is payable when Prudential receives written proof of death. But, all or part of the death benefit is not payable if it is excluded under Section D.

### B. DEATH BENEFIT DURING CONVERSION PERIOD.

A death benefit is payable under this Section B if you die:

- (1) within 31 days after you cease to be a Covered Person; and
- (2) while entitled (under Section C) to convert your Associate Term Life Insurance under this Coverage to an individual contract.

The amount of the benefit is equal to the amount of Associate Term Life Insurance under this Coverage you were entitled to convert. It is payable even if you did not apply for conversion. It is payable when Prudential receives written proof of death. But, all or part of the death benefit is not payable if it is excluded under Section D.

### C. CONVERSION PRIVILEGE.

If you cease to be insured for the Associate Term Life Insurance of the Group Contract for one of the reasons stated below, you may convert all or part of your insurance under this Coverage, which then ends, to an individual life insurance contract. Evidence of insurability is not required. The reasons are:

- (1) Your employment ends or you transfer out of a Covered Class.
- (2) All term life insurance of the Group Contract for your class ends by amendment or otherwise. But, on the date it ends, you must have been insured for five years for that insurance (or for that insurance and any Prudential rider or group contract replaced by that insurance).

Any such conversion is subject to the rest of this Section C.

**Availability:** You must apply for the individual contract and pay the first premium by the later of:

- (1) the thirty-first day after you cease to be insured for the Associate Term Life Insurance; and
- (2) the fifteenth day after you have been given written notice of the conversion privilege. But, in no event may you convert the insurance to an individual contract if you do not apply for the contract and pay the first premium prior to the ninety-second day after you cease to be insured for the Associate Term Life Insurance.

**Individual Contract Rules:** The individual contract must conform to the following:

Amount: Not more than your Associate Term Life Insurance under this Coverage when your insurance ends. But, if it ends because all term life insurance of the Group Contract for your class ends, the total amount of individual insurance which you may get in place of all your life insurance then ending under the Group Contract will not exceed the lesser of the following:

- (1) The total amount of all your life insurance then ending under the Group Contract reduced by the amount of group life insurance from any carrier for which you are or become eligible within the next 31 days.
- (2) \$10,000.

Form: Any form of a life insurance contract that:

- (1) conforms to Title VII of the Civil Rights Act of 1964, as amended, having no distinction based on sex; and
- (2) is one that Prudential usually issues at the age and amount applied for.

This does not include term insurance or a contract with disability or supplementary benefits.

Premium: Based on Prudential's rate as it applies to the form and amount, and to your class of risk and age at the time.

Effective Date: The end of the 31 day period after you cease to be insured for the Associate Term Life Insurance.

#### **D. SUICIDE EXCLUSION.**

If your death results from or is caused by suicide, while sane or insane:

- (1) A death benefit is not payable if you die within two years of the date you became a Covered Person.
- (2) The amount of any increase in your death benefit is not payable if you die within two years of the date of the increase.

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Any death benefit provided under a section of this Coverage is payable according to that section and the Beneficiary and Mode of Settlement Rules.

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# Option to Accelerate Payment of Death Benefits

**Note:** Any payment made under this option may be taxable. You are advised to seek the help of a professional tax advisor for assistance with any questions that you may have.

The following is added to the Associate Term Life Coverage provision.

## Definitions

- **Terminally Ill Associate:** An Associate whose life expectancy is 12 months or less.
- **Terminal Illness Proceeds:** The amount of Associate Term Life Insurance that you may elect to place under this option. You may elect any amount up to 50% of the amount in force on your life on the date Prudential receives the proof that you are a Terminally Ill Associate, but not more than \$500,000 under the Basic Associate Term Life Coverage and \$250,000 under the Optional Associate Term Life Coverage.

**Option:** If you become a Terminally Ill Associate while you are insured under the Associate Term Life Insurance provision or while your death benefit protection is being extended under the Associate Term Life Insurance provision, you may elect to have the Terminal Illness Proceeds placed under this option. That election is subject to the conditions set forth below.

**Payment of Terminal Illness Proceeds:** If you elect this option, Prudential will pay the Terminal Illness Proceeds you place under this option in one sum when it receives proof that you are a Terminally Ill Associate.

If you do not want the Terminal Illness Proceeds in one sum, you may elect to have them paid in 12 equal monthly installments. The first monthly payment will be due when Prudential receives proof that you are a Terminally Ill Associate. The other payments are due on the same day of each later month.

**To Whom Payable:** The benefits under this provision are payable to you.

**Amount Due But Unpaid at Your Death:** If you elect monthly installments and you die before all payments have been made, Prudential will pay your Beneficiary or Beneficiaries determined under the Beneficiary Rules in one sum. That sum will be the total of the payments that remain.

**Conditions:** Your right to be paid under this option is subject to these terms:

- (1) You must choose this option in writing in a form that satisfies Prudential.
- (2) You must furnish proof that satisfies Prudential that your life expectancy is 12 months or less, including certification by a Doctor.
- (3) Your Associate Term Life Insurance must not be assigned.
- (4) Terminal Illness Proceeds will be made available to you on a voluntary basis only.  
Therefore:
  - (a) If you are required by law to use this option to meet the claims of creditors, whether in bankruptcy or otherwise, you are not eligible for this benefit.

- (b) If you are required by a government agency to use this option in order to apply for, get or keep a government benefit or entitlement, you are not eligible for this benefit.

**Effect on Insurance:** This benefit is in lieu of the benefits that would have been paid on your death with respect to the Terminal Illness Proceeds. When you elect this option, the total amount of Associate Term Life Insurance otherwise payable on your death, including any amount under an extended death benefit, will be reduced by the Terminal Illness Proceeds. Also, any amount you could otherwise have converted to an individual contract will be reduced by the Terminal Illness Proceeds.

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# Additional Provision for Basic Associate Term Life Coverage

## FOR YOU ONLY

This additional benefit for return of remains applies if your death occurs outside a 100 mile radius of your home. It is payable for Return of Remains Expenses incurred to return your body home to either your preferred location within the United States, or to your residence at time of death.

**Return of Remains Expenses:** Expenses for: (1) embalming; (2) cremation; (3) a coffin; and (4) transportation of the remains.

**Benefit Amount Payable for Return of Remains:** An amount equal to the lesser of (1) the amount of Return of Remains Expenses; and (2) \$10,000.

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The Beneficiary Rules apply to the payment of the benefits.

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# Right to Elect Term Life Coverage under the Portability Plan

This right applies to the Basic Associate Term Life Coverage under the Group Contract.

It describes when and how you may become covered for similar coverage under the Portability Plan when your Basic Associate Term Life Coverage under the Group Contract ends. The terms and conditions of the Portability Plan will not be the same as those under this Group Contract. The amount of insurance available under the Portability Plan may not be the same as the amount under this Group Contract.

## **RIGHT TO APPLY FOR COVERAGE UNDER THE PORTABILITY PLAN**

A right under this section is subject to the rest of these provisions.

You will have the right to apply for term life coverage under the Portability Plan if you meet all of these tests:

- (1) Your Basic Associate Term Life Coverage ends for any reason other than:
  - (a) your failure to pay, when due, any contribution required for it; or
  - (b) the end of your employment on account of your retirement due to disability; or
  - (c) the end of the Coverage for all Associates when such Coverage is replaced by group life insurance from any carrier for which you are or become eligible within the next 31 days.
- (2) You meet the Active Work Requirement on the day your insurance ends.
- (3) You are less than age 80.
- (4) Your Amount of Insurance is at least \$20,000 under the Basic Associate Term Life Coverage on the day your insurance ends.

## **PORTABILITY APPLICATION PERIOD**

You have the right to apply for coverage under the Portability Plan during the Portability Application Period. Evidence of insurability is required to become insured under the Portability Plan. This requirement will be met when Prudential decides the evidence is satisfactory.

The Portability Application Period is the 31 day period after your Basic Associate Term Life Coverage ends. But, if you have the right to convert your insurance under the Basic Associate Term Life Coverage to an individual contract, it is the longer of:

- (1) the 31 day period after your Coverage ends; and
- (2) the number of days during which you have the right to convert your insurance under the Coverage to an individual life insurance contract as shown in the Coverage.

## EFFECT OF CONVERSION PRIVILEGE

The right to elect coverage under the Portability Plan is provided in lieu of the conversion privilege described in the Basic Associate Term Life Coverage, except as follows:

- (1) You may convert your amount of insurance under the Basic Associate Term Life Coverage in excess of the maximum for term life coverage under the Portability Plan. This maximum is the lesser of 5 times your annual Earnings and \$1,000,000.
- (2) You may convert your insurance if you elected coverage under the Portability Plan, but Prudential decided that your evidence of insurability was not satisfactory.

If you elect to convert all of your insurance under the Basic Associate Term Life Coverage to an individual contract, you may not elect to apply for coverage under the Portability Plan.

If, during the Portability Application Period, you apply for coverage under the Portability Plan and then elect to convert all of your insurance under the Basic Associate Term Life Coverage to an individual contract, your coverage under the Portability Plan will not become effective.

The right to elect coverage under the Portability Plan does not affect your coverage under the Death Benefit During Conversion Period provision of the Basic Associate Term Life Coverage.

## TERMS AND CONDITIONS OF THE PORTABILITY PLAN

The form, amount, first premium, and effective date will be as stated below.

**Form and Amount:** The form of term life coverage that Prudential then makes available under the Portability Plan. The terms and conditions of that coverage will not be the same as the Basic Associate Term Life Coverage under the Group Contract.

**Amount:** Not more than your amount of insurance under the Basic Associate Term Life Coverage when your insurance ends, but not less than \$20,000.

The maximum amount of term life insurance under the Portability Plan is the lesser of 5 times your annual Earnings and \$1,000,000.

**First Premium:** The first premium is due to Prudential within 31 days of the date the first bill is issued.

**Effective Date:** The day after the Portability Application Period ends.

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# Right to Elect Term Life Coverage under the Portability Plan

This right applies to the Optional Associate Term Life Coverage under the Group Contract.

It describes when and how you may become covered for similar coverage under the Portability Plan when your Optional Associate Term Life Coverage under the Group Contract ends. The terms and conditions of the Portability Plan will not be the same as those under this Group Contract. The amount of insurance available under the Portability Plan may not be the same as the amount under this Group Contract.

## **RIGHT TO APPLY FOR COVERAGE UNDER THE PORTABILITY PLAN**

A right under this section is subject to the rest of these provisions.

You will have the right to apply for term life coverage under the Portability Plan if you meet all of these tests:

- (1) Your Optional Associate Term Life Coverage ends for any reason other than:
  - (a) your failure to pay, when due, any contribution required for it; or
  - (b) the end of your employment on account of your retirement due to disability; or
  - (c) the end of the Coverage for all Associates when such Coverage is replaced by group life insurance from any carrier for which you are or become eligible within the next 31 days.
- (2) You meet the Active Work Requirement on the day your insurance ends.
- (3) You are less than age 80.
- (4) Your Amount of Insurance is at least \$20,000 under the Optional Associate Term Life Coverage on the day your insurance ends.

## **PORTABILITY APPLICATION PERIOD**

You have the right to apply for coverage under the Portability Plan during the Portability Application Period. Evidence of insurability is not required to become insured under the Portability Plan. But, if you submit evidence and Prudential decides the evidence is satisfactory, you will pay lower premium rates.

The Portability Application Period is the 31 day period after your Optional Associate Term Life Coverage ends. But, if you have the right to convert your insurance under the Optional Associate Term Life Coverage to an individual contract, it is the longer of:

- (1) the 31 day period after your Coverage ends; and
- (2) the number of days during which you have the right to convert your insurance under the Coverage to an individual life insurance contract as shown in the Coverage.



## EFFECT OF CONVERSION PRIVILEGE

The right to elect coverage under the Portability Plan is provided in lieu of the conversion privilege described in the Optional Associate Term Life Coverage, except as follows:

- (1) You may convert your amount of insurance under the Optional Associate Term Life Coverage in excess of the maximum for term life coverage under the Portability Plan. This maximum is the lesser of 5 times your annual Earnings and \$1,000,000.
- (2) You may convert your insurance if you elected coverage under the Portability Plan, but Prudential decided that your evidence of insurability was not satisfactory.

If you elect to convert all of your insurance under the Optional Associate Term Life Coverage to an individual contract, you may not elect to apply for coverage under the Portability Plan.

If, during the Portability Application Period, you apply for coverage under the Portability Plan and then elect to convert all of your insurance under the Optional Associate Term Life Coverage to an individual contract, your coverage under the Portability Plan will not become effective.

The right to elect coverage under the Portability Plan does not affect your coverage under the Death Benefit During Conversion Period provision of the Optional Associate Term Life Coverage.

## TERMS AND CONDITIONS OF THE PORTABILITY PLAN

The form, amount, first premium, and effective date will be as stated below.

**Form and Amount:** The form of term life coverage that Prudential then makes available under the Portability Plan. The terms and conditions of that coverage will not be the same as the Optional Associate Term Life Coverage under the Group Contract.

**Amount:** Not more than your amount of insurance under the Basic and Optional Associate Term Life Coverage when your insurance ends, subject to these rules:

- (1) **Minimum:** The minimum amount of the Basic and Optional Associate Term Life Coverage that may be ported is \$20,000.
- (2) **Maximum:** The maximum amount of the Basic and Optional Term Life Coverage that may be ported is the lesser of 5 times you annual Earnings and \$1,000,000.

**First Premium:** The first premium is due to Prudential within 31 days of the date the first bill is issued.

**Effective Date:** The day after the Portability Application Period ends.

# Optional Dependents Term Life Coverage

## FOR YOUR DEPENDENTS ONLY

### A. DEATH BENEFIT WHILE A COVERED PERSON.

If a dependent dies while a Covered Person, the amount of insurance on that dependent under this Coverage is payable when Prudential receives written proof of death. But, all or part of the death benefit is not payable if it is excluded under Section D.

### B. DEATH BENEFIT DURING A CONVERSION PERIOD.

A death benefit is payable under this Section B if a dependent dies:

- (1) within 31 days after ceasing to be a Covered Person; and
- (2) while entitled (under Section C) to a conversion of the insurance under this Coverage to an individual contract.

The amount of the benefit is equal to the amount of Dependents Term Life Coverage which could have been converted. It is payable even if conversion was not applied for. It is payable when Prudential receives written proof of death. But, all or part of the death benefit is not payable if it is excluded under Section D.

### C. CONVERSION PRIVILEGE.

This privilege applies if you cease to be insured for the Dependents Term Life Coverage of the Group Contract with respect to a dependent. That dependent may have your insurance on the dependent under this Coverage, which then ends, converted to an individual life insurance contract. Evidence of insurability is not required. However, conversion is not available if the insurance ends for one of these reasons:

- (1) You fail to make any required contribution for insurance under the Group Contract.
- (2) All Dependents Term Life Coverage of the Group Contract for your class ends by amendment or otherwise. This (2) does not apply if, on the date it ends, you have been insured with respect to the dependent for five years for that insurance (or for that insurance and any Prudential rider or group contract replaced by that insurance).

Any such conversion is subject to the rest of this Section C.

**Availability:** The individual contract must be applied for and the first premium must be paid by the later of:

- (1) the thirty-first day after you cease to be insured for Dependents Term Life Coverage with respect to the dependent; and

- (2) the fifteenth day after you have been given written notice of the conversion privilege. But, in no event may you convert the insurance to an individual contract if you do not apply for the contract and pay the first premium prior to the ninety-second day after you cease to be insured for Dependents Term Life Coverage with respect to the dependent.

**Individual Contract Rules:** The individual contract must conform to the following:

Amount: Not more than the amount of Dependents Term Life Coverage on the dependent ending under this Coverage. But, if it ends because all the Dependents Term Life Coverage of the Group Contract for your class ends, the total amount of individual insurance which may be obtained in place of all the Dependents Term Life Coverage on the dependent then ending under the Group Contract will not exceed the lesser of the following:

- (1) The total amount of all your Dependents Term Life Coverage on the dependent then ending under the Group Contract reduced by the amount of group life insurance from any carrier for which you are or become eligible with respect to the dependent within the next 31 days.
- (2) \$10,000.

Form: Any form of a life insurance contract that:

- (1) conforms to Title VII of the Civil Rights Act of 1964, as amended, having no distinction based on sex; and
- (2) is one that Prudential usually issues at the age and amount applied for.

This does not include term insurance or a contract with disability or supplementary benefits.

Premium: Based on Prudential's rate as it applies to the form and amount, and to the dependent's class of risk and age at the time.

Effective Date: The end of the 31 day period after you cease to be insured for Dependents Term Life Coverage with respect to the dependent.

#### **D. SUICIDE EXCLUSION.**

If a dependent's death results from or is caused by suicide, while sane or insane:

- (1) A death benefit is not payable if the dependent dies within two years of the date the dependent became a Covered Person.
- (2) The amount of any increase in the death benefit with respect to the dependent is not payable if the dependent dies within two years of the date of the increase.

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Any death benefit provided under a section of this Coverage is payable to you. If you are not living at the death of a dependent\*, the death benefit is payable to the dependent's estate or, at Prudential's option, to any one or more of these surviving relatives of the dependent: wife; husband; mother; father; children; brothers; sisters.

\*If you and a dependent die in the same event and it cannot be determined who died first, the insurance will be payable as if that dependent died before you.

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# Right to Elect Dependents Term Life Coverage under the Portability Plan

This right applies to the Dependents Term Life Coverage under the Group Contract.

It describes when and how your Qualified Dependent Spouse or Domestic Partner may become covered for similar coverage under the Portability Plan when your Dependents Term Life Coverage under the Group Contract ends. The terms and conditions of the Portability Plan will not be the same as those under this Group Contract. The amount of insurance available under the Portability Plan may not be the same as the amount under this Group Contract.

## **RIGHT TO APPLY FOR COVERAGE UNDER THE PORTABILITY PLAN**

A right under this section is subject to the rest of these provisions.

You will have the right to apply for dependents term life coverage under the Portability Plan for a Qualified Dependent Spouse or Domestic Partner if all of these tests are met:

- (1) The Dependents Term Life Coverage on the Spouse or Domestic Partner ends because your Employee Term Life Coverage ends due to: (a) a reduction in your hours; or (b) for any reason other than:
  - (i) your failure to pay, when due, any contribution required for it ; or
  - (ii) the end of your employment on account of your retirement due to disability; or
  - (iii) the end of the Employee Term Life Coverage for all Employees when such Coverage is replaced by group life insurance from any carrier for which you are or become eligible within the next 31 days.
- (2) With respect to a Spouse or Domestic Partner, that Spouse or Domestic Partner is less than age 80.
- (3) The Spouse or Domestic Partner is covered for Dependents Term Life Coverage on the day your Employee Term Life Coverage ends.
- (4) The Spouse or Domestic Partner is not confined for medical care or treatment, at home or elsewhere on the day your Employee Term Life Coverage ends.

If you die, your Spouse or Domestic Partner will have the right to apply for term life coverage under the Portability Plan if that Spouse or Domestic Partner meets all of the tests in (3), (4) and (5) above.

If you divorce or your Domestic Partner ceases to be a Qualified Dependent, your Spouse or Domestic Partner will have the right to apply for term life coverage under the Portability Plan if:

- (1) the Dependents Term Life Coverage on your Spouse or Domestic Partner ends due to divorce or your Domestic Partner ceasing to be a Qualified Dependent; and
- (2) that Spouse or Domestic Partner is less than age 80; and
- (3) that Spouse or Domestic Partner is not confined for medical care or treatment, at home or elsewhere on the day the Dependents Term Life Coverage on that Spouse or Domestic Partner ends.

## **PORTABILITY APPLICATION PERIOD**

You have the right to apply for dependents term life coverage under the Portability Plan for your Spouse or Domestic Partner during the Portability Application Period. In the case of your death or divorce, your Spouse or your Domestic Partner ceasing to be a Qualified Dependent, your Spouse or Domestic Partner has the right to apply for coverage under the Portability Plan during the Portability Application Period. Evidence of insurability is not required for a Spouse or Domestic Partner to become insured under the Portability Plan. But, if evidence of insurability is submitted for your Spouse or Domestic Partner and Prudential decides the evidence is satisfactory, you or, in the case of your death or divorce or your Domestic Partner ceasing to be a Qualified Dependent, your Spouse or Domestic Partner will pay lower premium rates and may have the option to increase the amount of insurance for your Spouse or Domestic Partner.

The Portability Application Period is the longer of:

- (1) the 31 day period after your Dependents Term Life Coverage ends; and
- (2) either:
  - (a) the number of days during which you have the right to convert your insurance under the Employee Term Life Coverage to an individual life insurance contract as shown in that Coverage; or
  - (b) in the case of your death or divorce or your Domestic Partner ceasing to be a Qualified Dependent, the number of days during which your Spouse or Domestic Partner has the right to convert the insurance under the Dependents Term Life Coverage to an individual life insurance contract as shown in that Coverage.

## **EFFECT OF CONVERSION PRIVILEGE**

The right to elect coverage under the Portability Plan is provided in lieu of the conversion privilege described in the Dependents Term Life Coverage, except as follows:

- (1) If a Spouse's or Domestic Partner's amount of insurance under the Dependents Term Life Coverage exceeds the lesser of 5 times your annual Earnings and \$1,000,000, the dependent may convert the excess amount.
- (2) A Spouse or Domestic Partner may convert the Dependents Insurance under the Coverage if coverage was elected under the Portability Plan, but Prudential decided that the evidence of insurability for that Spouse or Domestic Partner was not satisfactory.

If a Spouse or Domestic Partner elects to convert all of the insurance under the Dependents Term Life Coverage to an individual contract, you or, in the case of your death or divorce, or your Domestic Partner ceasing to be a Qualified Dependent, your Spouse or Domestic Partner may not elect to apply for coverage under the Portability Plan for that dependent.

If, during the Portability Application Period, you or, in the case of your death or divorce, or your Domestic Partner ceasing to be a Qualified Dependent, your Spouse or Domestic Partner applies for coverage under the Portability Plan for a dependent Spouse or Domestic Partner and that dependent Spouse or Domestic Partner then elects to convert all of the insurance under the Dependents Term Life Coverage to an individual contract, that dependent Spouse's or Domestic Partner's coverage under the Portability Plan will not become effective.

The right to elect coverage under the Portability Plan does not affect a dependent Spouse's or Domestic Partner's coverage under the Death Benefit During a Conversion Period provision of the Dependents Term Life Coverage.

## **TERMS AND CONDITIONS OF THE PORTABILITY PLAN**

The form, amount, first premium, and effective date will be as stated below.

**Form and Amount:** The form of dependents term life coverage that Prudential then makes available under the Portability Plan. The terms and conditions of that coverage will not be the same as those under the Group Contract.

**Amount:** Not more than the amount of insurance on the dependent under the Dependents Term Life Coverage when that insurance ends.

But, if evidence of insurability for your Spouse or Domestic Partner is submitted and Prudential decides the evidence is satisfactory, you or, in the case of your death or divorce, your Spouse or Domestic Partner has the option to increase the amount of insurance for your Spouse or Domestic Partner, as follows. If your annual Earnings are \$20,000 or more, you, your Spouse or Domestic Partner may opt to increase the amount of insurance by \$20,000 or more, but not more than your annual Earnings. If your annual Earnings are less than \$20,000, you or your Spouse may opt to increase the amount of insurance by the amount of your annual Earnings.

The maximum amount of dependents term life insurance under the Portability Plan is the lesser of 5 times your annual Earnings and \$1,000,000.

**First Premium:** The first premium is due to Prudential within 31 days of the date the first bill is issued.

**Effective Date:** The day after the Portability Application Period ends.

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# Optional Accidental Death and Dismemberment Coverage

## **FOR YOU AND YOUR DEPENDENTS**

This Coverage pays benefits for accidental Loss which results from an accident.

Loss means the person's:

- (1) loss of life.
- (2) total and permanent loss of Sight.
- (3) total and permanent loss of Speech.
- (4) total and permanent loss of Hearing.
- (5) loss of arm or leg by severance at or above the elbow or above the knee
- (6) loss of hand or foot by severance at or above the wrist or ankle.
- (7) loss of thumb and index finger of the same hand by severance at or above the point at which they are attached to the hand.
- (8) loss due to Quadriplegia, Paraplegia, Hemiplegia or Uniplegia.
- (9) loss due to Coma.
- (10) loss due to Brain Damage.

## **A. BENEFITS.**

Benefits for accidental Loss are payable only if all of these conditions are met:

- (1) The person sustains an accidental bodily Injury while a Covered Person.
- (2) The Loss results directly from that Injury and from no other cause.
- (3) The person suffers the Loss within 365 days after the accident. But, if the Loss is due to
  - (a) Coma, that Loss:
    - (i) begins within 365 days after the accident;
    - (ii) continues for 31 consecutive days; and
    - (iii) is total, continuous and permanent at the end of that 31-day period.

Any benefit for a Loss due to Coma will not begin until the end of the 31-day period in (ii) above.



## (b) Brain Damage, that Loss:

- (i) begins within 30 days after the accident;
- (ii) requires a Hospital Inpatient Stay of more than 5 consecutive days within 30 days after the accident; and
- (iii) continues for 12 consecutive months.

Any benefit for a Loss due to Brain Damage will not begin until the end of the 12 month period in (iii) above.

For the purposes of the Coverage:

- (1) Exposure to the elements will be considered an accidental bodily Injury.
- (2) It will be presumed that the person has suffered a Loss of life if the person's body has not been found within one year of disappearance, stranding, sinking or wrecking of any vehicle in which the person was an occupant.

Not all such Losses are covered. See Losses Not Covered below.

**Benefit Amount Payable:** The amount payable depends on the type of Loss as shown below. All benefits are subject to the Limits below.

Percent of the Person's  
Amount of Insurance

## Loss of or by Reason of:

Life .....	100
Sight of Both Eyes .....	100
Speech and Hearing in Both Ears .....	100
One Arm.....	100
One Leg .....	100
Both Hands .....	100
Both Feet .....	100
One Hand and One Foot .....	100
One Hand and Sight of One Eye .....	100
One Foot and Sight of One Eye .....	100
Quadriplegia .....	100
Paraplegia.....	100
Hemiplegia .....	100
Sight of One Eye.....	50
Speech .....	50
Hearing in Both Ears.....	50
One Hand .....	50
One Foot.....	50
Brain Damage .....	50
Uniplegia .....	25
Thumb and Index Finger of the Same Hand .....	25
Hearing in One Ear .....	25

Coma .....1% per month,  
up to 11 months; after 11 months a lump sum will be paid equal to 100% of the Amount of  
Insurance minus the amount already paid for Coma.

**Limit Per Accident:**

No more than the Amount of Insurance on a person at the time of the accident will be paid for all  
Losses resulting from Injuries sustained in that accident.

**B. LOSSES NOT COVERED.**

A Loss is not covered if it results from any of these:

- (1) Suicide or attempted suicide, while sane or insane.
- (2) Intentionally self-inflicted Injuries, or any attempt to inflict such Injuries.
- (3) Sickness, whether the Loss results directly or indirectly from the Sickness.
- (4) Medical or surgical treatment of Sickness, whether the Loss results directly or indirectly from the treatment.
- (5) Any bacterial or viral infection. But, this does not include:
  - (a) a pyogenic infection resulting from an accidental cut or wound; or
  - (b) a bacterial infection resulting from accidental ingestion of a contaminated substance.
- (6) Taking part in any insurrection.
- (7) War, or any act of war. War means declared or undeclared war, and includes resistance to armed aggression.
- (8) An accident that occurs while the person is serving on full-time active duty for more than 30 days in any armed forces. But this does not include Reserve or National Guard active duty for training.
- (9) Commission of or attempt to commit an assault or a felony.
- (10) Travel or flight in any vehicle used for aerial navigation, if the person is riding as a passenger in any aircraft not intended or licensed for the transportation of passengers.  
  
This includes getting in, out, on or off any such vehicle.
- (11) Losses resulting from being legally intoxicated while operating a land, water or air vehicle.
- (12) Losses resulting from being under the influence of or taking any controlled substance as defined in Title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970, as now or hereafter amended, unless prescribed by and administered in accordance with the advice of the insured's Doctor.

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The Claim Rules and the "To Whom Payable" part of the Schedule of Benefits apply to the payment of the benefits.

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# Additional Benefits under Optional Accidental Death and Dismemberment Coverage

## FOR YOU AND YOUR DEPENDENTS

An additional benefit may be payable for a Loss for which a benefit is payable under the other terms of this Coverage or would be payable except for the Limitations of those terms. Any such benefit is payable in addition to any other benefit payable under this Coverage. The additional amount payable for each additional benefit is shown in the Schedule of Benefits. Any additional conditions that apply to an additional benefit are shown below. An additional benefit is payable only if those conditions are met.

**(1) Additional Benefit for Loss of Life as a Result of an Accident in an Automobile While Using a Seat Belt:**

This additional benefit for the person's Loss of life only applies if this test is met.

The person sustains an accidental bodily Injury resulting in the Loss while:

- (a) the person is a driver or passenger in an Automobile;
- (b) the person is wearing a Seat Belt in the manner prescribed by the vehicle's manufacturer; and
- (c) the actual use of a Seat Belt at the time of the Injury is verified in an official report of the accident, or is certified in writing by the investigating official(s).

**Losses Not Covered under this Additional Benefit:** A Loss is not covered under this additional benefit if it results from driving or riding in any Automobile used in a race or a speed or endurance test, for acrobatic or stunt driving, or for any illegal purpose.

**(2) Additional Benefit for Tuition Reimbursement for Your Dependent Spouse or Domestic Partner:**

This additional benefit for tuition reimbursement for your dependent spouse or domestic partner only applies if you suffer a Loss of life.

This additional benefit is payable for the person who:

- (a) is your spouse or Domestic Partner on the date of your death; and
- (b) enrolls in any professional or trades program within 30 months after the date of your death for the purposes of obtaining an independent source of support or enriching that spouse's or Domestic Partner's ability to earn a living. Proof of enrollment must be given to Prudential.

**(3) Additional Benefit for Tuition Reimbursement for Your Dependent Child:**

This additional benefit for tuition reimbursement for your dependent child only applies once. It applies if either: (a) you suffer a Loss of life; or (b) your Qualified Dependent spouse or Domestic Partner suffers a Loss of life. Date of death, as used below, refers to your or your spouse's or Domestic Partner's date of death depending upon whose Loss of life this additional benefit is payable.

This additional benefit is payable for each dependent child less than age 26 who is:

- (a) your child who wholly depends on you for support and maintenance on the date of death; and
- (b) enrolled as a full-time student in a School on the date of death; or
- (c) in the 12th grade on the date of death and becomes a full-time student in a School within 365 days after that date.

Proof of enrollment must be given to Prudential.

**(4) Additional Benefit for Child Care Expenses for Your Dependent Child:**

This additional benefit for child care expenses for your dependent child only applies once. It applies if either: (a) you suffer a Loss of life; or (b) your Qualified Dependent spouse or Domestic Partner suffers a Loss of life. Date of death, as used below, refers to your or your spouse's or Domestic Partner date of death depending upon whose Loss of life this additional benefit is payable.

This additional benefit is payable for each dependent child less than age 13 who:

- (a) is your child who wholly depends on you for support and maintenance on the date of death; and
- (b) is enrolled at a Child Care Center on the date of death; or
- (c) becomes enrolled at a Child Care Center within 90 days after the date of death.

Proof of enrollment must be given to Prudential.

**(5) Additional Benefit for Your Spouse's or Domestic Partner's Loss of Life as a Result of a Common Accident:**

This additional benefit for your spouse's or Domestic Partner's Loss of life only applies if all of these tests are met:

- (a) Your Qualified Dependent spouse or Domestic Partner is insured for Dependents Insurance under the Coverage on the date of the accident that results in your spouse's or Domestic Partner's Loss of life.
- (b) You and your spouse or Domestic Partner both suffer a Loss of life as a result of the same accident or separate accidents that occur within 48 hours of each other.
- (c) You have surviving dependent children on the date(s) of the accident(s).

**(6) Additional Benefit for Home Alteration and Vehicle Modification Expense:**

This additional benefit for Home Alteration and Vehicle Modification Expense only applies once. It applies if the person suffers a Loss that requires home alteration or vehicle modification.

**(7) Additional Benefit for Monthly Medical Premium:**

This additional benefit for monthly medical premium only applies if all of these tests are met:

- (a) You suffer an accidental bodily Injury that results in a Loss within 365 days of an accident.
- (b) The accidental bodily Injury: (i) results in your having to take a leave of absence from your job with your Employer; or (ii) ends your employment with your Employer.
- (c) You choose to continue membership in your Employer's medical plan beyond the time that it would otherwise end.

**(8) Additional Benefit for Spouse or Domestic Partner or Child Medical Premium:**

This additional benefit for medical premium for your dependent Spouse or Domestic Partner or dependent child only applies if you suffer a Loss of life.

An additional benefit for medical premium for your Qualified Dependent Spouse or Domestic Partner or child who:

- (a) is insured for Dependents Insurance under the Coverage on the date of your death; and
- (b) elects to continue membership in your Employer's medical plan.

**(9) Additional Benefit for Monthly Rehabilitation Expense:**

This additional benefit for Rehabilitation Expense only applies if both of these tests are met:

- (a) The person suffers a Loss.
- (b) A Doctor determines that rehabilitation is necessary to aid the person in returning to the normal activities of a person of the same age and gender.

**(10) Additional Benefit for Loss of Life as a Result of a Motorcycle Accident While Wearing Safety Equipment:**

This additional benefit for the person's Loss of life only applies if this test is met.

The person sustains an accidental bodily Injury resulting in the Loss while:

- (a) the person is a driver or passenger on a motorcycle;
- (b) the person is wearing a Helmet as verified in an official police accident report, medical examiner report of coroner's report; and
- (c) the driver of the motorcycle on which the person was riding has a current and valid driver's license, which includes motorcycles, at the time of the accident.

**Losses Not Covered under this Additional Benefit:** A Loss is not covered under this additional benefit if it results:

- (a) from driving or riding on any motorcycle used in a race or a speed or endurance test, for acrobatic or stunt driving, or for any illegal purpose; or
  - (b) from an Injury caused, wholly or partly, by riding on a motorcycle being operated by another person while that person:
    - (i) is under the influence of alcohol, or alcohol intoxication, as defined by the laws of the jurisdiction in which the Loss occurred. Conviction is not required for a determination of being intoxicated; or
    - (ii) is under the influence or taking any drug, medication, narcotic, hallucinogen, barbiturate, amphetamine, gas or fumes, poison or any other controlled substance as defined in Title II of the comprehensive Drug Abuse Prevention and Control Act of 1970, as now or hereafter amended, unless prescribed by and administered in accordance with the advice of the insured's physician.
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# Definitions under Optional Accidental Death and Dismemberment Coverage

## FOR YOU AND YOUR DEPENDENTS

Some of the terms used in the Coverage:

**Authorized Business Trip:** A trip that your Employer authorizes you to take for the purpose of furthering its business. An Authorized Business Trip: (1) starts when you leave your residence or Regular Place of Employment, whichever is later; and (2) ends when you return to your residence or Regular Place of Employment, whichever is earlier.

The term does not include Commuting to and from Work, vacations or leaves of absence.

**Automobile:** A validly registered:

- (1) vehicle that may be legally driven with the standard issue class of motor vehicle driver's license and no additional class of license is necessary to operate this vehicle; or
- (2) four wheel, two axle private passenger motor vehicle.

But Automobile does not include: (1) a motor vehicle intended for off-road use; or (2) a motor vehicle being used without the owner's permission.

**Brain Damage:** Permanent and irreversible physical damage to the brain causing the complete inability to perform all of the substantial and material functions and activities of everyday life.

**Child Care Center:** A facility or individual which:

- (1) operates pursuant to law, if locally required;
- (2) is not a family member; and
- (3) primarily provides care and supervision for children in a group setting on a regular, daily basis.

**Coma:** A profound state of unconsciousness from which the person cannot be aroused, even by powerful stimulation, as determined by the person's Doctor.

**Commuting to and from Work:** Leaving your primary residence and going directly to your Regular Place of Employment; and returning from your Regular Place of Employment and going directly to your primary residence. Such commuting must take place during a regular workday.

**Helmet:** A protective headgear that meets or exceeds the standards established by the United States Department of Transportation's Federal Motor Vehicle Safety Standard No. 218.

**Hemiplegia:** The total and permanent paralysis of the upper and lower limbs on one side of the body.



**Home Alteration and Vehicle Modification Expenses:** One-time expenses that are charged for:

- (1) alterations to your residence that are necessary to make the residence accessible and habitable to a person who has suffered a Loss; or
- (2) modifications to a motor vehicle owned or leased by a person that are needed to make such vehicle accessible to or drivable by the person.

Such alteration or modification must be made: because of the Loss; completed by individuals experienced in such alteration or modification; meet appropriate marketing standards; and be in compliance with any applicable laws or regulations of appeal by any appropriate government authority.

The term does not include charges that exceed the reasonable and customary charges for similar alterations and modifications in the locality where the charges are incurred.

**Loss of Hearing:** The total and permanent loss of hearing that continues for at least 6 consecutive months following the accident.

**Loss of Sight:** The total and permanent loss of sight. Visual acuity must be 20/200 or worse or the field of vision must be less than 20 degrees.

**Loss of Speech:** The total and permanent loss of speech that continues for at least 6 consecutive months following the accident.

**Paraplegia:** The total and permanent paralysis of both lower limbs.

**Physical Attack:** Any willful or unlawful use of force or violence upon you with the intent to cause bodily Injury to you. The Physical Attack must be considered a felony or misdemeanor in the jurisdiction in which it occurs.

**Quadriplegia:** The total and permanent paralysis of both upper and both lower limbs.

**Regular Place of Employment:** The Employer's place of business at which you spend at least 50% of your working hours and which is located within 100 miles of your primary residence. Satellite offices located within 100 miles of your primary residence are also included.

**Rehabilitation Expense:** An expense that a Doctor has determined is necessary to enable the injured person to return to the normal activities of a person of the same age and gender. Rehabilitation Expense includes: (1) the expense for treatment by a rehabilitation therapist who is licensed, registered and/or certified to provide such treatment; and (2) the expense of confinement in a health care facility for rehabilitation.

**School:** An institution of higher learning. The term includes, but is not limited to, a university, college or trade school.

**Seat Belt:** Any: (1) passive restraint device for an adult that meets published federal safety standards, is installed by the Automobile's manufacturer and is not altered after that installation; or (2) federally approved, properly installed child safety seat.

**Uniplegia:** The total and permanent paralysis of one limb.

**Working for Your Employer:** Performing the duties of your job with your Employer either on or off your Employer's premises. But the term does not include Commuting to and from Work, vacations or leaves of absence.

# General Information

## **BENEFICIARY RULES**

The rules in this section apply to insurance payable on account of your death, when the Coverage states that they do. .

"Beneficiary" means a person chosen, on a form approved by Prudential, to receive the insurance benefits.

You have the right to choose a Beneficiary for each Coverage under this Prudential Group Contract.

If there is a Beneficiary for the insurance under a Coverage, it is payable to that Beneficiary. Any amount of insurance under a Coverage for which there is no Beneficiary at your death will be payable to the first of the following: your (a) surviving spouse or domestic partner; (b) surviving child(ren) in equal shares; (c) surviving parents in equal shares; (d) surviving siblings in equal shares; (e) estate.

You may change the Beneficiary at any time without the consent of the present Beneficiary. The Beneficiary change form must be filed through the Contract Holder. The change will take effect on the date the form is signed. But it will not apply to any amount paid by Prudential before it receives the form.

If there is more than one Beneficiary but the Beneficiary form does not specify their shares, they will share equally. If a Beneficiary dies before you, that Beneficiary's interest will end. It will be shared equally by any remaining Beneficiaries, unless the Beneficiary form states otherwise.

If you and a Beneficiary die in the same event and it cannot be determined who died first, the insurance will be payable as if that Beneficiary died before you.

## **MODE OF SETTLEMENT RULES**

The rules in this section apply to Associate Life and Accident Insurance payable on account of your death.

"Mode of Settlement" means payment other than in one sum.

Associate Life Insurance is normally paid to the Beneficiary in one sum. But a Mode of Settlement may be arranged with Prudential for all or part of the insurance, as stated below.

Arrangements for Mode of Settlement: You may arrange a Mode of Settlement by proper written request to Prudential. If, at your death, no Mode of Settlement has been arranged for an amount of your Associate Life Insurance, the Beneficiary and Prudential may then mutually agree on a Mode of Settlement for that amount.

Conditions for Mode of Settlement: The Beneficiary must be a natural person taken in the Beneficiary's own right. A Mode of Settlement will apply to secondary Beneficiaries only if Prudential agrees in writing. Each installment to a person must not be less than \$20.00. A change of Beneficiary will void any Mode of Settlement arranged before the change.

Choice by Beneficiary: A Beneficiary being paid under a Mode of Settlement may, if Prudential agrees, choose (or change the Beneficiary's choice of) a payee or payees to receive, in one sum, any amount which would otherwise be payable to the Beneficiary's estate.

Prudential has prepared information about the available modes of settlement. Ask the Contract Holder for this.

## **INCONTESTABILITY OF LIFE INSURANCE**

This limits Prudential's use of a person's statements in contesting an amount of Life Insurance for which the person is insured. These are statements made to persuade Prudential to accept the person for insurance. They will be considered to be made to the best of the person's knowledge and belief. These rules apply to each statement:

- (1) It will not be used in the contest unless:
    - (a) It is in a written instrument signed by the person; and
    - (b) A copy of that instrument is or has been furnished to the person or, in the event of the person's death or incapacity, to the person's Beneficiary or personal representative.
  - (2) If it relates to your insurability, it will not be used to contest the validity of insurance which has been in force, before the contest, for at least two years during the person's lifetime.
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## DEFINITIONS

**Active Work Requirement:** A requirement that you have reported to work for the Contract Holder or other Employer included in the Group Contract.

**Associate:** A person employed by the Employer. The term also applies to that person for any rights after insurance ends.

**Associate Insurance:** Insurance on the person of an Associate.

**Calendar Year:** A year starting January 1.

**Contributory Insurance, Non-contributory Insurance:** Contributory Insurance is insurance for which the Contract Holder has the right to require your contributions. Non-contributory Insurance is insurance for which the Contract Holder does not have the right to require your contributions. The Schedule of Benefits shows whether insurance under a Coverage is Contributory Insurance or Non-contributory Insurance.

**Coverage:** A part of the Booklet consisting of:

- (1) A benefit page labeled as a Coverage in its title.
- (2) Any page or pages that continue the same kind of benefits.
- (3) A Schedule of Benefits entry and other benefit pages or forms that by their terms apply to that kind of benefits.

**Covered Person under a Coverage:** An Associate who is insured for Associate Insurance under that Coverage; a Qualified Dependent for whom an Associate is insured for Dependents Insurance, if any, under that Coverage.

**Dependents Insurance:** Insurance on the person of a dependent.

**Doctor:** A licensed practitioner of the healing arts acting within the scope of the license.

**Earnings:** This is your annualized basic rate of pay, paid time off, including any paid overtime or bonuses, based on the previous 26 pay periods of active status (if paid bi-weekly) or 52 weeks (if paid weekly) prior to your last day worked. Commissions and all other benefits are not included.

**The Employer:** Collectively, all employers included under the Group Contract.

**Injury:** Injury to the body of a Covered Person.

**Prudential:** The Prudential Insurance Company of America.

**Sickness:** Any disorder of the body or mind of a Covered Person, but not an Injury; pregnancy of a Covered Person, including abortion, miscarriage or childbirth.

**You:** An Associate.

## CLAIM RULES

These rules apply to payment of benefits under all accident Coverages.

**Proof of Loss:** Prudential must be given written proof of the loss for which claim is made under the Coverage. This proof must cover the occurrence, character and extent of that loss. It must be furnished within 90 days after the date of the loss. But, if any Coverage provides for periodic payment of benefits at monthly or shorter intervals, the proof of loss for each such period must be furnished within 90 days after its end.

A claim will not be considered valid unless the proof is furnished within these time limits. However, it may not be reasonably possible to do so. In that case, the claim will still be considered valid if the proof is furnished as soon as reasonably possible.

**When Benefits are Paid:** Benefits are paid when Prudential receives written proof of the loss. But, if a Coverage provides that benefits are payable at equal intervals of a month or less, Prudential will not have to pay those benefits more often.

**Physical Exam and Autopsy:** Prudential, at its own expense, has the right to examine the person whose loss is the basis of claim. Prudential may do this when and as often as is reasonable while the claim is pending. Prudential also has the right to arrange for an autopsy in case of accidental death, if it is not forbidden by law.

**Legal Action:** No action at law or in equity shall be brought to recover on the Group Contract until 60 days after the written proof described above is furnished. No such action shall be brought more than three years after the end of the time within which proof of loss is required.

## INCONTESTABILITY OF INSURANCE TO WHICH THE CLAIM RULES APPLY

This limits Prudential's use of your statements in contesting an amount of that insurance for which you are insured. These are statements made to persuade Prudential to effect an amount of that insurance. They will be considered to be made to the best of your knowledge and belief. These rules apply to each statement:

- (1) It will not be used in a contest to avoid or reduce that amount of insurance unless:
    - (a) It is in a written instrument signed by you; and
    - (b) A copy of that instrument is or has been furnished to you.
  - (2) It will not be used in the contest after that amount of insurance has been in force, before the contest, for at least two years during your lifetime.
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# When Your Insurance Ends

## ASSOCIATE AND DEPENDENTS INSURANCE

Your Associate Insurance under a Coverage or your Dependents Insurance under a Coverage will end when the first of these occurs:

- Your membership in the Covered Classes for the insurance ends because your employment ends (see below) or for any other reason.
- The part of the Group Contract providing the insurance ends.
- For Contributory Insurance under a Coverage of the Group Contract, you fail to pay, when due, any contribution required. But, if Associate Insurance is Contributory, failure to contribute for Dependents Insurance will not cause your Associate Insurance to end.
- The insurance is Dependents Insurance under the accident Coverage and your Associate Insurance under the optional accident Coverage of the Group Contract, if any, ends.

If you make a written request to the Employer to end the Dependents Insurance for a Qualified Dependent under the accident Coverage, the insurance for that person will end.

Your Dependents Insurance for a Qualified Dependent under a Coverage will end when that person ceases to be a Qualified Dependent for that Coverage. (See Continued Coverage for an Incapacitated Child below.)

**End of Employment:** For insurance purposes, your employment will end when you are no longer classified as full-time actively at work on the Contract Holder's payroll. Under the terms of the Group Contract, the Contract Holder may consider you as still employed in the Covered Classes during certain types of absences from full-time work. This is subject to any time limits or other conditions stated in the Group Contract.

For the purpose of your life insurance under the Group Contract, your employment in the Covered Classes will not be considered to end while you: (1) are absent from work for the Employer on account of your disability; and (2) are not working at any other job for wage or profit.

If you stop active full-time work for any reason, you should contact the Employer at once to determine what arrangements, if any, have been made to continue any of your insurance.

**Continued Coverage for an Incapacitated Child:** This applies to the Dependents Insurance you have for a child. The insurance for the child will not end on the date the age limit in the definition of Qualified Dependent is reached if all of these are true:

- (1) The child becomes mentally or physically incapable of earning a living while covered as an eligible dependent under a Walmart sponsored Dependent Life insurance plan.
- (2) The child otherwise meets the definition of Qualified Dependent.
- (3) Written medical evidence of disability is provided.

If these conditions are met, the age limit will not cause the child to stop being a Qualified Dependent under that Coverage. This will apply as long as the child remains so incapacitated.

# Vermont Life Insurance

## Mandatory Civil Union Endorsement

### **PURPOSE**

This endorsement is part of the policy, contract, certificate and/or riders and endorsements to which it is attached and is intended to provide benefits for parties to a civil union. Vermont law requires that insurance contracts and policies offered to married persons and their families be made available to parties to a civil union and their families. In order to receive benefits in accordance with this endorsement, the civil union must have been established in the state of Vermont according to Vermont law.

### **GENERAL DEFINITIONS, TERMS CONDITIONS AND PROVISIONS**

The general definitions, terms, conditions or any other provisions of the policy, contract, certificate and/or riders and endorsements to which this mandatory endorsement is attached are hereby amended and superseded as follows:

Terms that mean or refer to a marital relationship or that may be construed to mean or refer to a marital relationship: such as "marriage", "spouse", "husband", "wife", "dependent", "next of kin", "relative", "beneficiary", "survivor", "immediate family" and any other such terms include the relationship created by a civil union.

Terms that mean or refer to a family relationship arising from a marriage such as "family", "immediate family", "dependent", "children", "next of kin", "relative", "beneficiary", "survivor" and any other such terms include the family relationship created by a civil union.

Terms that mean or refer to the inception or dissolution of a marriage, such as "date of marriage", "divorce decree", "termination of marriage" and any other such terms include the inception or dissolution of a civil union.

"Dependent" means a spouse, a party to a civil union, and/or a child or children (natural, stepchild, legally adopted or a minor who is dependent on the insured for support and maintenance) who is born to or brought to a marriage or to a civil union.

"Child or covered child" means a child (natural, step-child, legally adopted or a minor who is dependent on the insured for support and maintenance) who is born to or brought to a marriage or to a civil union.

### **CAUTIONARY DISCLOSURE**

**THIS ENDORSEMENT IS ISSUED TO MEET THE REQUIREMENTS OF VERMONT LAW AS EXPLAINED IN THE "PURPOSE" PARAGRAPH OF THE ENDORSEMENT. THE FEDERAL GOVERNMENT OR ANOTHER STATE GOVERNMENT MAY NOT RECOGNIZE THE BENEFITS GRANTED UNDER THIS ENDORSEMENT. YOU ARE ADVISED TO SEEK EXPERT ADVICE TO DETERMINE YOUR RIGHTS UNDER THIS CONTRACT.**

## ADDITIONAL PROVISIONS FOR MINNESOTA RESIDENTS

For Minnesota residents, there are additional provisions about your right to continue or convert coverage after your insurance ends.

### A. CONVERSION PRIVILEGE

**The following provision replaces the conversion provisions in the Associate and Dependents Term Life Coverage sections of your booklet. But the provisions of this section A do not apply if section B applies.**

If you cease to be insured for the Associate and Dependents Term Life Insurance of the Group Contract for one of the reasons stated below, you may convert all or part of your insurance under this Coverage, which then ends, to an individual life insurance contract. Evidence of insurability is not required. The reasons are:

- (1) Your employment or membership ends or you transfer out of a Covered Class.
- (2) All term life insurance of the Group Contract for your class ends by amendment or otherwise.

Any such conversion is subject to the rest of this Section.

**Availability:** You must apply for the individual contract and pay the first premium within 31 days after you cease to be insured for the Associate and Dependents Term Life Insurance.

**Individual Contract Rules:** The individual contract must conform to the following:

**Amount:** Not more than your Associate and Dependents Term Life Insurance under this Coverage when your insurance ends.

**Form:** Any form of a life insurance contract that:

- (1) conforms to Title VII of the Civil Rights Act of 1964, as amended, having no distinction based on sex; and
- (2) is one that Prudential usually issues at the age and amount applied for.

This does not include term insurance or a contract with disability or supplementary benefits.

**Premium:** Based on Prudential's rate as it applies to the form and amount, and to your class of risk and age at the time.

**Effective Date:** The end of the 31 day period during which you may apply for it.



**B. CONTINUED LIFE INSURANCE COVERAGE AT YOUR OPTION**

**The following provision is added to the When Your Insurance Ends section of your booklet. When this section B applies, section A above does not.**

You have the right to continue your Associate and Dependents Insurance under the life Coverages of the Group Contract if your insurance ends: (1) because you are voluntarily or involuntarily terminated or laid off from your employment (other than for gross misconduct) or (2) because your work hours are reduced.

The Contract Holder will give a written notice of the right to elect to continue the insurance. Such notice will state the amount of the payments, if any, required for the continued insurance and the manner in which any payments must be made. The amount of the contributions required to keep the insurance in force may be different from the amount you have been contributing. But, in no event will the amount exceed 102% of the cost for other Associates in like circumstance whose employment is not ending or whose work hours have not been reduced.

If you want to continue the insurance, the election notice must be completed and returned to the Contract Holder, along with any required first payment, within 60 days of the later of: (1) the date the insurance would otherwise have ended; or (2) the date you receive the notice informing you of the right to continue. If this is done, the insurance will be continued from the date it would have ended until the first of these occurs:

- (1) The day 18 months from the date employment ended or work hours were reduced.
- (2) If you fail to make any payment required by the Contract Holder for the continued insurance, the end of the period for which you have made required payments.
- (3) The day you become covered under any other group life plan.
- (4) The part of the Group Contract providing the insurance ends.

While Associate and Dependents Insurance is continued under this part, all other terms of the Group Contract will apply, except that the For Associate Insurance part of the Delay of Effective Date section will not apply.

When continued insurance under this provision ends, you may elect to convert your coverage. See the Conversion section below.

**CONVERSION AFTER CONTINUATION**

At the expiration of the Continuation coverage in this section B, you may convert all or part of your insurance under this Coverage, which then ends, to an individual life insurance contract. Evidence of insurability is not required. Any such conversion is subject to the rest of this Section.

**Availability:** You must apply for the individual contract and pay the first premium within 31 days after the expiration of your continued coverage.

**Individual Contract Rules:** The individual contract must conform to the following:

**Amount:** Not more than your Associate and Dependents Term Life Insurance under this Coverage when your continued coverage ends.

**Form:** Any form of a life insurance contract that:

- (1) conforms to Title VII of the Civil Rights Act of 1964, as amended, having no distinction based on sex; and
- (2) is one that Prudential usually issues at the age and amount applied for; and
- (3) provides the same or substantially similar benefits.

**Premium:** Based on Prudential's rate as it applies to the form and amount, and to your class of risk and age at the time.

**Effective Date:** The end of the 31 day period during which you may apply for it.

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**This ERISA Statement  
is not part of the  
Group Insurance Certificate.**

## **ERISA STATEMENT OF CLAIM PROCEDURES AND OTHER RIGHTS**

### **Plan Benefits Provided by**

The Prudential Insurance Company of America  
751 Broad Street  
Newark, New Jersey 07102

This Group Contract underwritten by The Prudential Insurance Company of America provides insured benefits under your Employer's ERISA plan(s). For all purposes of this Group Contract, the Employer/Policyholder acts on its own behalf or as an agent of its employees. Under no circumstances will the Employer/Policyholder be deemed the agent of The Prudential Insurance Company of America, absent a written authorization of such status executed between the Employer/Policyholder and The Prudential Insurance Company of America. Nothing in these documents shall, of themselves, be deemed to be such written execution.

The Prudential Insurance Company of America as Claims Administrator has the sole discretion to interpret the terms of the Group Contract, to make factual findings, and to determine eligibility for benefits. The decision of the Claims Administrator shall not be overturned unless arbitrary and capricious.

### **Claim Procedures**

#### **1. Determination of Benefits**

Prudential shall notify you of the claim determination within 45 days of the receipt of your claim. This period may be extended by 30 days if such an extension is necessary due to matters beyond the control of the plan. A written notice of the extension, the reason for the extension and the date by which the plan expects to decide your claim, shall be furnished to you within the initial 45-day period. This period may be extended for an additional 30 days beyond the original 30-day extension if necessary due to matters beyond the control of the plan. A written notice of the additional extension, the reason for the additional extension and the date by which the plan expects to decide on your claim, shall be furnished to you within the first 30-day extension period if an additional extension of time is needed. However, if a period of time is extended due to your failure to submit information necessary to decide the claim, the period for making the benefit determination by Prudential will be tolled (i.e., suspended) from the date on which the notification of the extension is sent to you until the date on which you respond to the request for additional information.

If your claim for benefits is denied, in whole or in part, you or your authorized representative will receive a written notice from Prudential of your denial. The notice will be written in a manner calculated to be understood by you and shall include:

- (a) the specific reason(s) for the denial,
- (b) references to the specific plan provisions on which the benefit determination was based,
- (c) a description of any additional material or information necessary for you to perfect a claim and an explanation of why such information is necessary,

- (d) a description of Prudential's appeals procedures and applicable time limits, including a statement of your right to bring a civil action under section 502(a) of ERISA following your appeals, and
- (e) if an adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination will be provided free of charge upon request.

## **2. Appeals of Adverse Determination**

If your claim for benefits is denied or if you do not receive a response to your claim within the appropriate time frame (in which case the claim for benefits is deemed to have been denied), you or your representative may appeal your denied claim in writing to Prudential within 180 days of the receipt of the written notice of denial or 180 days from the date such claim is deemed denied. You may submit with your appeal any written comments, documents, records and any other information relating to your claim. Upon your request, you will also have access to, and the right to obtain copies of, all documents, records and information relevant to your claim free of charge.

A full review of the information in the claim file and any new information submitted to support the appeal will be conducted by Prudential, utilizing individuals not involved in the initial benefit determination. This review will not afford any deference to the initial benefit determination.

Prudential shall make a determination on your claim appeal within 45 days of the receipt of your appeal request. This period may be extended by up to an additional 45 days if Prudential determines that special circumstances require an extension of time. A written notice of the extension, the reason for the extension and the date that Prudential expects to render a decision shall be furnished to you within the initial 45-day period. However, if the period of time is extended due to your failure to submit information necessary to decide the appeal, the period for making the benefit determination will be tolled (i.e., suspended) from the date on which the notification of the extension is sent to you until the date on which you respond to the request for additional information.

If the claim on appeal is denied in whole or in part, you will receive a written notification from Prudential of the denial. The notice will be written in a manner calculated to be understood by the applicant and shall include:

- (a) the specific reason(s) for the adverse determination,
- (b) references to the specific plan provisions on which the determination was based,
- (c) a statement that you are entitled to receive upon request and free of charge reasonable access to, and make copies of, all records, documents and other information relevant to your benefit claim upon request,
- (d) a description of Prudential's review procedures and applicable time limits,
- (e) a statement that you have the right to obtain upon request and free of charge, a copy of internal rules or guidelines relied upon in making this determination, and
- (f) a statement describing any appeals procedures offered by the plan, and your right to bring a civil suit under ERISA.

If a decision on appeal is not furnished to you within the time frames mentioned above, the claim shall be deemed denied on appeal.

If the appeal of your benefit claim is denied or if you do not receive a response to your appeal within the appropriate time frame (in which case the appeal is deemed to have been denied), you or your representative may make a second, voluntary appeal of your denial in writing to Prudential within 180 days of the receipt of the written notice of denial or 180 days from the date such claim is deemed denied. You may submit with your second appeal any written comments, documents, records and any other information relating to your claim. Upon your request, you will also have access to, and the right to obtain copies of, all documents, records and information relevant to your claim free of charge.

Prudential shall make a determination on your second claim appeal within 45 days of the receipt of your appeal request. This period may be extended by up to an additional 45 days if Prudential determines that special circumstances require an extension of time. A written notice of the extension, the reason for the extension and the date by which Prudential expects to render a decision shall be furnished to you within the initial 45-day period. However, if the period of time is extended due to your failure to submit information necessary to decide the appeal, the period for making the benefit determination will be tolled from the date on which the notification of the extension is sent to you until the date on which you respond to the request for additional information.

Your decision to submit a benefit dispute to this voluntary second level of appeal has no effect on your right to any other benefits under this plan. If you elect to initiate a lawsuit without submitting to a second level of appeal, the plan waives any right to assert that you failed to exhaust administrative remedies. If you elect to submit the dispute to the second level of appeal, the plan agrees that any statute of limitations or other defense based on timeliness is tolled during the time that the appeal is pending.

If the claim on appeal is denied in whole or in part for a second time, you will receive a written notification from Prudential of the denial. The notice will be written in a manner calculated to be understood by the applicant and shall include the same information that was included in the first adverse determination letter. If a decision on appeal is not furnished to you within the time frames mentioned above, the claim shall be deemed denied on appeal.

## **Rights and Protections**

As a participant in this plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

### **Receive Information about Your Plan and Benefits**

- Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.

- Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

### **Prudent Actions by Plan Fiduciaries**

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

### **Enforce Your Rights**

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

### **Assistance with Your Questions**

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

